# Economic Trends

ARTICLES

International comparisons of taxes and social security contributions in 20 OECD countries 1973-1984

National and sector balance sheets 1957-1985

No 403
May 1987
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## Release dates of economic statistics to be published in June 1987

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in June 1987. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

| Publication date | Series | Method of release | Source |
|---|---|---|---|
| **June** | | | |
| *Mon 1* | CBI Monthly Trends enquiry (May) | PN | CBI |
| | London Sterling Certificates of deposit (May) | PN | Bank of England |
| | UK banks' assets and liabilities and the money stock (May) | PN | Bank of England |
| *Tues 2* | Capital issues and redemptions (May) aggregates (March) | PN | Bank of England |
| | UK Official reserves (May) | PN | HMT |
| *Wed 3* | Overseas travel and tourism (March) | PN | DE |
| | Advance energy statistics (April) | PN | Dept. of Energy |
| *Thurs 4* | UK Balance of Payments (1st quarter) | PN | CSO |
| | Investment intentions of the manufacturing and service industries (Spring Survey) | PN | DTI |
| | Detailed analysis of employment, unemployment, earnings, prices and other indicators | EG | DE |
| *Fri 5* | Housing starts and completions (April) | PN | DOE |
| | House renovations (1st quarter) | PN | DOE |
| *Mon 8* | Credit business (April) | PN | DTI |
| | Retail Sales (April-final) | PN | DTI |
| | Producer price index (May-provisional) | PN | DTI |
| *Thurs 11* | Provisional figures of vehicle production (May) | PN | DTI |
| | International banking statistics* (1st quarter) | PN | Bank of England |
| *Fri 12* | Tax and price index (May) | PN | CSO |
| | Retail prices index (May) | PN | DE |
| | Construction - output (1st quarter) | PN | DOE |
| *Sun 14* | National Savings monthly progress report (May) | PN | Dept. for National Savings |
| *Mon 15* | Retail Sales (May-provisional) | PN | DTI |
| | Food Facts (1st quarter) | PN | MAFF |
| | CBI/FT Survey of distributive trades (May) | PN | CBI |
| *Tues 16* | Public sector borrowing requirement (May) | PN | HMT/CSO |
| *Thurs 18* | Index of output of the production industries (April) | PN | CSO |
| | Capital expenditure by the manufacturing and service industries (1st quarter-revised) | PN | DTI |
| | Labour market statistics: unemployment and unfilled vacancies (May-provisional); average earnings indices (April-provisional); employment, hours, productivity and unit wage costs; industrial disputes | PN | DE |
| | London and Scottish banks' monthly statement (May) | PN | CLSB |
| | Provisional estimates of monetary aggregates | PN | BSA |
| *Fri 19* | Buildings societies' monthly figures (May) | PN | BSA |
| *Mon 22* | Gross Domestic Product (1st quarter-provisional) | PN | CSO |
| | CBI Monthly Trends enquiry (June) | PN | CBI |
| *Tues 23* | Cyclical indicators for the UK economy (May) | PN | CSO |
| | Manufacturers' and distributors' stocks (1st quarter-revised) | PN | DTI |
| *Wed 24* | Construction - new orders (April) | PN | DOE |
| *Thurs 25* | Balance of payments current account and overseas trade figures (May) | PN | DTI/CSO |
| | Energy Trends (April) | PN | Dept. of Energy |
| | New vehicle registrations (May) | PN | DTp |
| *Mon 29* | Personal income expenditure and saving (1st quarter) | PN | CSO |
| | Industrial and commercial companies (1st quarter) | PN | CSO |

PN = Press Notice

* This series was previously issued in the Bank of England Quarterly Bulletin.

# Economic Trends

No 403
May 1987

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# Introduction

*Economic Trends* brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the data printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

*Economic Trends* is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

**Notes on the tables**

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
5. 'Billion' denotes one thousand millions.
6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
7. Symbols used.
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given on page 81
   - † indicates that the data has been revised since last issue; the period marked is the earliest in the table to have been revised.

**The Editor would welcome readers' suggestions for improvements to Economic Trends**

*Central Statistical Office, 29 May 1987*

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# Latest developments in the economy[1]

*Data available at 29 May 1987*

## Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves rose by $2,768 million in April to $29,807 million. Accruals of borrowing under the exchange cover scheme amounted to $66 million; repayments of such borrowing amounted to $90 million. Capital repayments on assignments to HMG of other public sector debt taken out under the exchange cover scheme amounted to $3 million. Capital repayments of HMG foreign currency bonds amounted to $18 million. This repayment represents the final portion of HMG's foreign currency bonds. The bonds were issued in April 1977 to overseas official sterling holders as part of the 1977 agreement on official sterling balances. The valuation change arising out of the quarterly rollover of the EMCF swap amounted to a fall of $99 million.

Up to 28 May the average Exchange Rate Index for May was 1.7 per cent higher than that in April.

## Unemployment and vacancies

The level of unemployment in the UK (excluding school leavers) decreased by 19,600 to 3.020 million in April, 10.9 per cent of the working population. The figures continue to show a downward trend. Over the past six months on average, unemployment has fallen by 23,300 per month.

The stock of unfilled vacancies at jobcentres (excluding Community Programme vacancies) increased by 3,300 in the month to April to reach 213,900. Over the past three months to April, vacancies have increased on average by 1,200 per month.

## Employment

The number of employees in employment in manufacturing industries in Great Britain decreased by 5,000 in March 1987. The average decrease of 9,000 per month in the first quarter compares with 1,000 per month for the previous quarter and with 12,000 per month for the first quarter of 1986.

The employed labour force in Great Britain is estimated to have increased by 90,000 in the fourth quarter of 1986 following an increase of 54,000 in the third quarter. This continues the upward trend which started in March 1983 since when the employed labour force is estimated to have increased by 1,133,000. The increase of 179,000 in 1986 is less than the increase of 236,000 in 1985. However, the estimated rate of increase has been strengthening since March 1986.

## Earnings

The whole economy index of average earnings of employees in Great Britain in March was 194.8 (January 1980=100), an increase of 0.7 per cent over February and 6.7 per cent higher than in March 1986. The underlying increase in average weekly earnings in the year to March was about 7¼ per cent, similar to the increase in the year to February. The actual increase in the year to March was below the underlying increase because back pay in March this year was lower than in the same month last year.

In production industries, the underlying increase in average weekly earnings in the year to March was about 8 per cent, similar to the increase in the year to February; in manufacturing industries the increase was also about 8 per cent, similar to the increase in the year to February. These figures include the effect of higher overtime working in recent months.

## Productivity

Manufacturing output per head in the three months to March was 0.3 per cent higher than in the previous three months and 6.6 per cent higher than in the same period a year earlier. Output per head in the whole economy in the fourth quarter of 1986 was 0.3 per cent above the previous quarter and 2.9 per cent higher than in the fourth quarter of 1985.

## Unit wage and salary costs

In the three months ending March, wages and salaries per unit of output in manufacturing industries were 1.2 per cent above the corresponding period a year earlier. For the whole economy they were 5.2 per cent higher in the fourth quarter of 1986 than in the corresponding period a year earlier.

## Prices (not seasonally adjusted)

The general index of retail prices for all items for April was 101.8 (January 1987=100), an increase of 1.2 per cent on March and an increase of 4.2 per cent on April 1986. The rise in the index between March and April was mainly the result of increases in local authority rates and rents and in mortgage interest payments (following the reduction in income tax rates announced in the Budget). Higher prices were also recorded for some seasonal foods, motor vehicles and motor insurance. The Tax and Price Index for April was 99.7 (January 1987=100), 2.5 per cent higher than in April 1986. The difference between the two indices has increased because of the effect of the reduction in the basic rate of income tax and the increase in personal income tax allowances proposed for 1987/88.

The price index for materials and fuel purchased by manufacturing industry rose by 0.2 per cent between March and April, mainly because of a rise in prices of home-produced food manufacturing materials. The index rose by 1.4 per cent in the twelve months ended April after having fallen by 0.5 per cent in the twelve months ended March. The seasonally adjusted index rose by 0.8 per cent between March and April.

The price index for home sales of manufactured products rose by 0.5 per cent between March and April. This increase was spread widely across industries. The increase in the index measured over a twelve month period fell to 3.5 per cent in April from 3.7 per cent in March.

## Consumers' expenditure

The provisional estimate of the index of the volume of retail sales in April was 130.3 (1980=100), well above previous levels. In the three months to April, the level of sales was 1 per cent above that in the previous three months (which included January when sales were depressed by the severe weather). Sales in the latest three months were 6 per cent higher than in the corresponding period a year earlier.

## Output

Preliminary estimates suggest that the output of the whole economy increased by about ½ per cent between the fourth quarter of 1986 and the first quarter of 1987. Output of the production industries increased by 1½ per cent although manufacturing output was little changed. Output of the service industries as a whole showed some growth, despite little change in distribution activity. In the first quarter of 1987 GDP(O) was about 3½ per cent above its level of a year earlier.

## Financial aggregates (not seasonally adjusted except where indicated)

Preliminary information suggests that, in the twelve months to April, M0 rose by about 5¼ per cent and M3 (formerly £M3) rose by about 20½ per cent. In April, M0 rose by about 2¼ per cent and M3 rose by about £3.2 billion or 2 per cent, before seasonal adjustment. After seasonal adjustment, M0 rose by about ½ per cent and M3 rose by 1¾ to 2 per cent.

In April, the PSBR was about £1.8 billion. The non-bank private sector's holdings of public sector debt fell by about £0.3 billion; external flows from the public sector were about £1.1 billion. The public sector contribution to the growth in M3 was therefore expansionary by about £3.2 billion. Bank lending grew by about £1.5 billion after seasonal adjustment,

1. All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

compared with an average of about £2.8 billion a month (seasonally adjusted) over the preceding six months.

## Capital expenditure

The provisional estimate of capital expenditure by the manufacturing, construction, distribution and financial industries in the first quarter of 1987 is £4,707 million, at 1980 prices, nearly 1 per cent lower than in the preceding quarter, and just over 3 per cent lower than in the first quarter of 1986. The volume of investment in the last twelve months was 1 per cent lower than in the preceding twelve months.

The provisional estimate of manufacturers' investment in the first quarter of 1987 (taking into account leasing of assets to manufacturers from the financial industries) is £1,641 million, almost 5 per cent higher than in the previous quarter but nearly 8 per cent lower than in the first quarter of 1986. The volume of investment in the last twelve months was 6 per cent lower than in the preceding twelve months. On the same annual basis of comparison, expenditure on individual assets increased by nearly 3 per cent for new building work, but decreased by almost 11 per cent for vehicles, and by 7 per cent for plant and machinery.

Investment by the construction, distribution and financial industries (excluding leasing to manufacturers) in the first quarter of 1987 is £3,066 million, 3¼ per cent lower than in the preceding quarter, and ½ per cent lower than in the first quarter of 1986. The volume of investment in the last twelve months was 2 per cent higher than in the preceding twelve months. On the same basis, expenditure on individual assets rose by 4 per cent for new building work, and by over 1 per cent for plant and machinery, but showed no change for vehicles.

## Stockbuilding

Provisional figures indicate that the level of stocks held by manufacturers, wholesalers and retailers rose by about £255 million at 1980 prices in the first quarter of 1987. Manufacturers and wholesalers increased their stocks by around £160 million and £95 million respectively. The level of retailers' stocks was virtually unchanged.

Within manufacturing there were increases in the stocks of materials and fuel and of work in progress of around £55 million and £190 million respectively and a decrease of about £185 million in the stocks of finished goods. The stock/output ratio increased from 86.9 at the end of December to 87.5 at the end of March.

## Balance of payments

The current account for April was estimated to have been in surplus by £96 million compared with a surplus of £183 million in March. In the three months ended April, the current account showed a surplus of £0.7 billion, compared with a deficit of £0.6 billion in the previous three months. There was a deficit on visible trade of £1.1 billion compared with a deficit of £2.4 billion in the previous three months. The surplus on invisibles in the latest three months is projected at £1.8 billion.

There was a deficit on visible trade in April of £504 million compared with a deficit of £417 million in March. Exports in April were 2 per cent higher than in March; excluding oil and the erratic items, they were also 2 per cent up. Imports in April were 3½ per cent higher than in March; excluding oil and the erratic items they were 1½ per cent higher.

By volume, exports increased by 2 per cent in the latest three months to a level 11 per cent higher than a year earlier. Excluding oil and the erratic items export volume was 1½ per cent up in the latest three months and 11 per cent higher than a year ago. The underlying level of non-oil export volume appears recently to have been slightly below the high level reached at the end of last year.

By volume, imports fell by 4 per cent in the latest three months to a level 7½ per cent higher than a year earlier. Excluding oil and the erratic items, the volume of imports fell by 5½ per cent between the two periods but was 6 per cent higher than a year earlier. In recent months the underlying level of non-oil import volume has fallen away from the high level at the end of last year.

## Selected monthly indicators (1)

| | | Seasonally adjusted | | | | | | Unadjusted | | | | Seasonally adjusted | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1980=100 | 1980=100 | Thousands | | January 1980=100 | 1980=100 | January 1974=100 | January 1978=100 | 1975=100 | $ billion | £ million | |
| | | Volume of retail sales GB(2,3,4)* | Total production industries | Unemployment (5,6)* | Vacancies (7,8,9)* | Average earnings -whole economy: GB(10) | Producer price of materials and fuel(11) | Retail price index (all items)(12) | Tax and price index(12) | Sterling exchange rate index | UK official reserves(13) | Balance of payments: Current balance | Money stock £M3 |
| | | FAAM | DVIM | BCJD | DPCB | DNAB | DZDQ | CBAB | BSAA | AJHT | FOAB | AIMF | AGBC |
| 1986 | F | 118.6† | 109.9† | 3 160.9 | 167.2 | 180.0 | 130.2 | 381.1 | 193.7 | 74.2 | 15.8 | 187 | 129 754 |
| | M | 120.9 | 108.2 | 3 198.6 | 169.5 | 182.6 | 128.2 | 381.6 | 194.0 | 74.6 | 18.8 | -481 | 134 536 |
| | A | 120.7 | 110.8 | 3 200.2 | 170.2 | 185.3 | 125.6 | 385.3 | 192.5 | 76.2† | 19.0 | 231 | 135 853 |
| | M | 119.6 | 109.2 | 3 205.4 | 172.1 | 182.6 | 126.6 | 386.0 | 192.9 | 76.1 | 19.2 | -200 | 140 043 |
| | J | 123.2 | 107.7 | 3 219.6 | 184.4 | 183.9 | 125.4 | 385.8 | 192.8 | 75.9 | 19.2 | -126 | 141 220 |
| | J | 122.6 | 110.5 | 3 224.0 | 193.2 | 186.3 | 122.2 | 384.7 | 192.1 | 74.0 | 19.1 | -12 | 142 388† |
| | A | 123.9 | 111.2 | 3 219.0 | 201.1 | 187.0 | 123.4 | 385.9 | 192.9 | 71.4 | 18.9 | -735 | 142 855 |
| | S | 124.5 | 110.8 | 3 192.6 | 206.4 | 187.1 | 125.0 | 387.8 | 194.0 | 70.4 | 22.4 | -184 | 147 105 |
| | O | 125.0 | 110.9 | 3 166.2 | 212.8 | 188.7 | 126.4 | 388.4 | 194.3 | 67.8 | 22.0 | -100 | 147 272 |
| | N | 127.8 | 111.0 | 3 144.8 | 215.2 | 190.2 | 127.1 | 391.7 | 196.3 | 68.5 | 22.0 | -384 | 149 192 |
| | D | 126.7 | 110.2 | 3 119.1 | 210.0 | 191.3 | 126.6 | 393.0 | 197.1 | 68.5 | 21.9 | -272 | 150 388 |
| 1987 | J | | | | | | | 394.5 | 198.0 | | | | |
| | | | | | | | | January 1987=100 | January 1987=100 | | | | |
| 1987 | J | 123.6† | 110.9† | 3 118.0 | 210.3 | 192.8 | 127.2 | 100.0 | 100.0 | 68.8† | 21.9 | 73 | 151 800† |
| | F | 127.0 | 112.6 | 3 073.9† | 207.1 | 193.4 | 127.2 | 100.4 | 100.5 | 69.0 | 22.3 | 376 | 155 250 |
| | M | 125.5 | 113.1 | 3 039.7 | 210.6 | 194.8† | 127.6† | 100.6 | 100.7 | 71.9 | 27.0 | 175† | 160 235 |
| | A | | | 3 020.1 | 213.9† | | 128.6 | 101.8† | 99.7 | 72.3 | 30.0† | | |
| | | Percentage change, latest three months on previous three months | | | | | | | | | | | |
| 1986 | F | 1.2 | -0.7 | 1.0 | -2.1 | 2.1 | -1.9 | 0.7 | .. | -4.9 | .. | | |
| | M | 1.2 | 0.9 | 1.5 | -0.5 | 2.6 | -2.2 | 0.7 | .. | -5.9 | .. | | |
| | A | 1.5 | 1.6 | 1.6 | 2.4 | 2.8 | -3.0 | 1.0 | .. | -4.5 | .. | | |
| | M | 1.7 | 1.0 | 1.5 | 3.7 | 2.5 | -3.1 | 1.2 | .. | -1.3 | .. | | |
| | J | 1.7 | -0.1 | 0.9 | 5.4 | 1.8 | -2.7 | 1.3 | .. | 1.3 | .. | | |
| | J | 1.4 | -1.3 | 0.6 | 8.5 | 0.9 | -2.9 | 0.7 | .. | 0.4 | .. | | |
| | A | 2.3 | -0.3 | 0.3 | 13.1 | 1.2 | -3.2 | 0.3 | .. | -2.5 | .. | | |
| | S | 2.0 | 1.5 | -0.1 | 14.1 | 1.8 | -2.2 | 0.1 | .. | -5.5 | .. | | |
| | O | 2.1 | 1.7 | -0.8 | 12.8 | 1.8 | 0.3 | 0.5 | .. | -6.8 | .. | | |
| | N | 2.0 | 0.7 | -1.5 | 9.6 | 1.6 | 0.4 | 1.0 | .. | -6.2 | .. | | |
| | D | 2.3 | -1.0 | -1.9 | 6.2 | 1.8 | 0.3 | 1.3 | .. | -5.1 | .. | | |
| 1987 | J | 1.3 | 0.8 | -1.8 | 2.5 | 2.0 | -1.5 | 1.5 | .. | -1.8 | .. | | |
| | F | 0.1 | 0.3 | -2.0 | -1.1 | 2.0 | 0.7 | 1.3 | .. | -0.2 | .. | | |
| | M | -0.9 | 0.1 | -2.2 | -1.6 | 1.9 | 0.4 | 1.2 | .. | 2.4 | .. | | |
| | A | | | -2.7 | -0.6 | | 0.7 | 1.3 | .. | 3.6 | .. | | |
| | | Percentage change, latest three months on corresponding period of previous year | | | | | | | | | | | |
| 1986 | F | 3.5 | 3.2 | 2.3 | 6.3 | 8.4 | -8.0 | 5.4 | 4.3 | 6.0 | .. | | |
| | M | 4.3 | 2.2 | 2.7 | 7.1 | 8.3 | -9.6 | 4.9 | 3.8 | 4.3 | .. | | |
| | A | 5.2 | 2.1 | 2.7 | 7.0 | 8.4 | -10.2 | 4.1 | 2.7 | 1.1 | .. | | |
| | M | 4.6 | 0.7 | 2.9 | 6.5 | 8.3 | -9.8 | 3.3 | 1.7 | -1.4 | .. | | |
| | J | 4.7 | -0.2 | 2.8 | 8.2 | 8.0 | -8.9 | 2.8 | 0.9 | -3.5 | .. | | |
| | J | 4.4 | -0.1 | 3.0 | 13.1 | 8.0 | -8.9 | 2.6 | 0.6 | -6.6 | .. | | |
| | A | 4.9 | 1.0 | 3.1 | 18.8 | 8.1 | -9.0 | 2.5 | 0.5 | -9.6 | .. | | |
| | S | 5.5 | 2.0 | 2.9 | 22.6 | 7.4 | -8.8 | 2.6 | 0.6 | -12.4 | .. | | |
| | O | 6.3 | 1.6 | 2.2 | 24.5 | 7.4 | -7.9 | 2.8 | 1.1 | -13.9 | .. | | |
| | N | 7.3 | 0.9 | 1.8 | 25.8 | 7.5 | -6.7 | 3.2 | 1.6 | -15.7 | .. | | |
| | D | 7.3 | 0.9 | 0.6 | 27.1 | 8.0 | -4.5 | 3.4 | 2.1 | -13.5 | .. | | |
| 1987 | J | 6.5 | 1.4 | -0.2 | 28.4 | 7.7 | -4.2 | 3.7 | 2.4 | -14.1 | .. | | |
| | F | 6.3 | 2.0 | -0.4 | 27.1 | 7.5 | -3.4 | 3.9 | 2.6 | -10.3 | .. | | |
| | M | 5.1 | 2.8 | -4.0 | 25.7 | 7.3 | -2.1 | 3.9 | .. | -7.0 | .. | | |
| | A | | | -4.5 | 24.6 | | -0.2 | 4.1 | .. | -5.4 | .. | | |

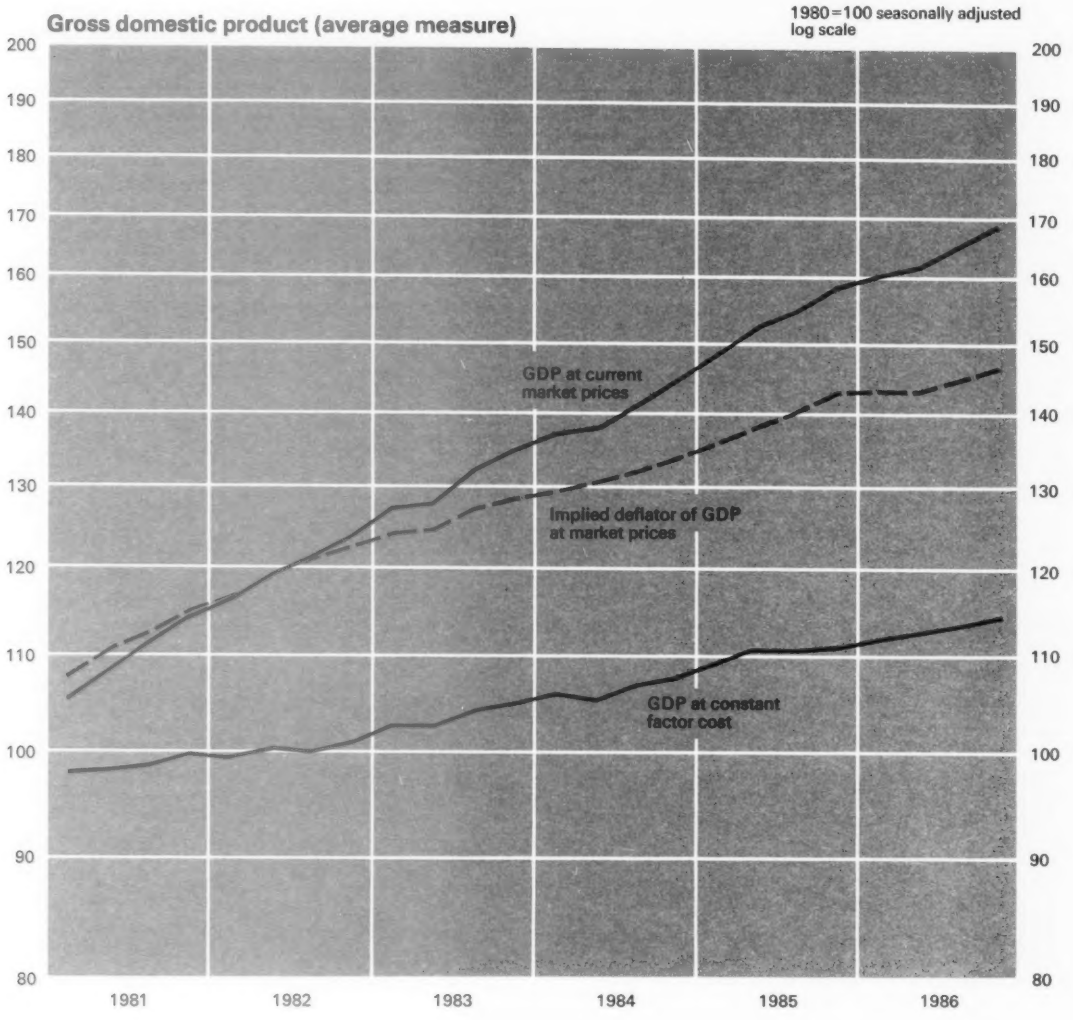
1 Data given may not be wholly consistent with that shown elsewhere in the publication.
2 This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
3 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
4 The retail sales index has been rebased using detailed information for1984.
5 Unemployed excluding school leavers.
6 See footnote 2 on page 38.
7 Vacancies notified to job centres. Figures were distorted in April and May 1985 due to a change in administrative arrangements leading to an artificial increase in April. Figures for May should be minimally affected.
8 See footnote 7 on page 38. 9 See footnote 8 on page 38.
10 The seasonal adjustment factors currently used are based on data up to December 1982.
11 Purchased by manufacturing industry. (Revised definition)
12 The index has been rebased to January 1987 = 100. 13 See footnote 2 on page 50.

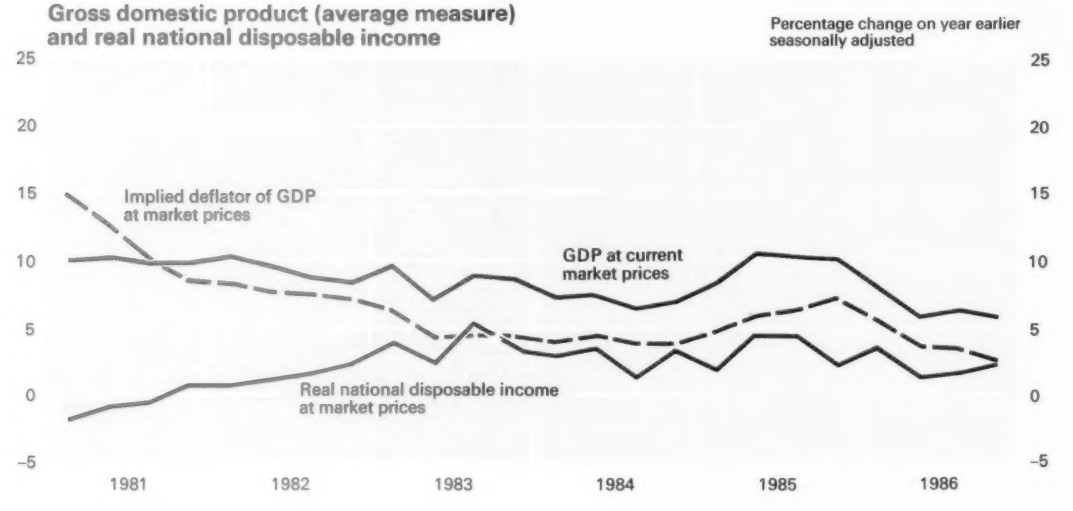
## National accounts aggregates (1)

Seasonally adjusted

| | | Gross domestic product: At market prices: At current prices: £ billion: average estimate | Gross domestic product: At market prices: At current prices: 1980=100: average estimate | Gross domestic product: At market prices: At 1980 prices: 1980=100: average estimate | Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: expenditure data | Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: income data | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: average estimate | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: expenditure data | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: income data(3) | Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: output data | National disposable income at 1980 market prices: 1980=100: average estimate | Implied gross domestic product deflator 1980=100: At factor cost: Based on: expenditure data(4) | Implied gross domestic product deflator 1980=100: At market prices: Based on: expenditure data |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | CAOB | DJCL | FNAD | FNAP | FNAQ | DJDD | DJDE | DIAR | DSAE | DJCR | DJCM | DJDT |
| 1977 | | 145.3 | 63.2 | 96.5 | 129.2 | 129.1 | 97.0 | 97.2 | 97.4 | 96.3 | 94.0 | 66.6 | 65.5 |
| 1978 | | 167.4 | 72.8 | 99.7 | 148.9 | 147.6 | 99.6 | 100.0 | 99.4 | 99.6 | 98.4 | 74.7 | 72.9 |
| 1979 | | 196.9 | 85.6 | 102.5 | 171.6 | 171.0 | 102.3 | 102.1 | 102.1 | 102.8 | 101.7 | 84.2 | 83.5 |
| 1980 | | 230.0 | 100.0 | 100.0 | 199.6 | 199.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 253.1 | 110.0 | 98.7 | 218.1 | 216.7 | 98.8 | 99.1 | 98.8 | 98.4 | 99.5 | 110.2 | 111.5 |
| 1982 | | 276.4 | 120.2 | 100.1 | 235.4 | 236.5 | 100.3 | 99.9 | 100.8 | 100.0 | 101.0 | 118.0 | 120.1 |
| 1983 | | 300.3 | 130.6 | 103.5 | 258.0 | 258.4 | 103.7 | 103.7 | 104.2 | 103.1 | 104.8 | 124.6 | 126.2 |
| 1984 | | 321.8 | 139.9 | 106.6 | 275.0 | 279.5 | 106.6 | 105.7 | 107.7 | 106.4 | 107.8 | 130.4 | 131.3 |
| 1985 | | 353.3 | 153.6 | 110.3 | 302.4 | 305.5 | 110.2 | 109.4 | 110.9 | 110.4 | 111.2 | 138.5 | 139.3 |
| 1986 | | 378.2 | 163.6 | 113.2 | 318.7 | 323.0 | 113.1 | 111.9 | 113.8 | 113.6 | 113.7 | 142.6 | 144.5 |
| 1981 | 3 | 64.1 | 111.4 | 98.9 | 54.5 | 55.0 | 98.8 | 98.1 | 99.4 | 98.9 | 98.9 | 111.3 | 112.7 |
| | 4 | 65.7 | 114.2 | 99.5 | 56.2 | 56.8 | 99.9 | 99.7 | 101.1 | 99.0 | 100.0 | 112.9 | 114.7 |
| 1982 | 1 | 66.9 | 116.4 | 99.5 | 57.1 | 56.7 | 99.7 | 100.2 | 99.8 | 99.1 | 100.5 | 114.2 | 116.9 |
| | 2 | 68.6 | 119.3 | 100.1 | 58.2 | 59.1 | 100.3 | 99.5 | 101.3 | 99.9 | 100.3 | 117.3 | 119.3 |
| | 3 | 69.7 | 121.3 | 100.0 | 58.9 | 59.8 | 100.1 | 99.0 | 100.9 | 100.4 | 100.7 | 119.2 | 121.3 |
| | 4 | 71.3 | 123.9 | 100.8 | 61.2 | 60.9 | 100.9 | 101.2 | 101.0 | 100.7 | 102.3 | 121.2 | 122.8 |
| 1983 | 1 | 73.3 | 127.5 | 102.5 | 63.3 | 62.7 | 102.7 | 103.7 | 102.8 | 101.6 | 104.3 | 122.4 | 124.3 |
| | 2 | 73.6 | 128.0 | 102.6 | 62.8 | 63.7 | 102.8 | 102.3 | 104.1 | 102.0 | 102.8 | 123.0 | 124.7 |
| | 3 | 75.9 | 132.1 | 103.9 | 65.3 | 65.3 | 104.1 | 104.1 | 104.5 | 103.9 | 106.0 | 125.7 | 127.0 |
| | 4 | 77.5 | 134.9 | 104.9 | 66.6 | 66.7 | 105.1 | 104.8 | 105.4 | 105.0 | 106.1 | 127.3 | 128.5 |
| 1984 | 1 | 78.7 | 136.9 | 105.8 | 67.6 | 68.1 | 105.9 | 105.5 | 106.6 | 105.6 | 107.3 | 128.3 | 129.4 |
| | 2 | 79.2 | 137.7 | 105.7 | 67.6 | 68.6 | 105.6 | 104.6 | 106.5 | 105.8 | 106.6 | 129.6 | 130.2 |
| | 3 | 80.9 | 140.7 | 106.7 | 68.7 | 70.6 | 106.9 | 105.4 | 108.7 | 106.7 | 107.5 | 130.6 | 131.8 |
| | 4 | 83.0 | 144.3 | 108.0 | 71.1 | 72.2 | 108.0 | 107.1 | 109.1 | 107.6 | 109.7 | 133.0 | 133.7 |
| 1985 | 1 | 85.2 | 148.2 | 109.1 | 73.8 | 73.7 | 109.2 | 109.1 | 109.3 | 109.2 | 109.2 | 135.5 | 135.7 |
| | 2 | 87.6 | 152.3 | 110.4 | 74.7 | 76.1 | 110.6 | 109.4 | 111.8 | 110.5 | 111.4 | 136.9 | 138.0 |
| | 3 | 89.2 | 155.1 | 110.6 | 75.9 | 77.1 | 110.4 | 109.3 | 111.4 | 110.6 | 112.4 | 139.2 | 140.2 |
| | 4 | 91.4 | 158.9 | 110.9 | 78.0 | 78.6 | 110.7 | 109.8 | 111.1 | 111.3 | 112.1 | 142.2 | 143.2 |
| 1986 | 1 | 92.0 | 160.1 | 111.8 | 79.2 | 79.0 | 111.9 | 111.9 | 112.1 | 111.7 | 113.3 | 141.7 | 143.1 |
| | 2 | 92.8 | 161.3 | 112.6 | 78.5 | 79.8 | 112.6 | 111.3 | 113.5 | 113.0 | 112.8 | 141.3 | 143.2 |
| | 3 | 94.8 | 164.8 | 113.6 | 79.5 | 81.3 | 113.4 | 111.5 | 114.3 | 114.5 | 114.1 | 142.9 | 145.0 |
| | 4 | 96.7 | 168.2 | 114.7 | 81.5 | 82.9 | 114.5 | 113.0 | 115.3 | 115.2 | 114.8 | 144.5 | 146.5 |
| | | Percentage change, quarter on corresponding quarter of previous year (5) | | | | | | | | | | | |
| 1981 | 3 | 9.7 | 9.7 | -0.3 | 6.3 | 9.8 | -0.5 | -2.3 | 1.0 | -0.2 | -0.6 | 8.9 | 10.1 |
| | 4 | 9.8 | 9.8 | 1.3 | 7.6 | 10.5 | 2.1 | 1.0 | 3.9 | 1.3 | 0.8 | 6.5 | 8.5 |
| 1982 | 1 | 10.2 | 10.2 | 1.6 | 6.0 | 9.4 | 1.6 | 0.1 | 3.3 | 1.5 | 0.7 | 5.9 | 8.3 |
| | 2 | 9.5 | 9.5 | 1.8 | 8.7 | 11.5 | 2.1 | 0.9 | 3.4 | 2.1 | 1.1 | 7.8 | 7.7 |
| | 3 | 8.9 | 8.8 | 1.1 | 8.0 | 8.7 | 1.3 | 0.9 | 1.5 | 1.6 | 1.8 | 7.1 | 7.7 |
| | 4 | 8.5 | 8.5 | 1.3 | 8.9 | 7.2 | 1.0 | 1.5 | -0.1 | 1.7 | 2.3 | 7.3 | 7.1 |
| 1983 | 1 | 9.5 | 9.6 | 3.0 | 11.0 | 10.5 | 3.0 | 3.5 | 3.0 | 2.5 | 3.9 | 7.2 | 6.3 |
| | 2 | 7.3 | 7.3 | 2.6 | 7.8 | 7.7 | 2.5 | 2.8 | 2.8 | 2.0 | 2.5 | 4.8 | 4.5 |
| | 3 | 8.9 | 8.9 | 4.0 | 10.9 | 9.2 | 4.0 | 5.1 | 3.5 | 3.4 | 5.3 | 5.5 | 4.7 |
| | 4 | 8.8 | 8.8 | 4.1 | 8.8 | 9.6 | 4.1 | 3.6 | 4.3 | 4.3 | 3.8 | 5.1 | 4.6 |
| 1984 | 1 | 7.4 | 7.4 | 3.2 | 6.7 | 8.6 | 3.1 | 1.8 | 3.6 | 3.9 | 2.9 | 4.8 | 4.1 |
| | 2 | 7.6 | 7.6 | 3.0 | 7.8 | 7.7 | 2.8 | 2.3 | 2.3 | 3.8 | 3.6 | 5.3 | 4.5 |
| | 3 | 6.6 | 6.5 | 2.7 | 5.3 | 8.1 | 2.7 | 1.3 | 4.0 | 2.7 | 1.4 | 3.9 | 3.8 |
| | 4 | 7.0 | 7.0 | 2.9 | 6.7 | 8.2 | 2.8 | 2.2 | 3.6 | 2.5 | 3.3 | 4.4 | 4.0 |
| 1985 | 1 | 8.2 | 8.2 | 3.2 | 9.2 | 8.3 | 3.1 | 3.4 | 2.5 | 3.4 | 1.7 | 5.6 | 4.9 |
| | 2 | 10.6 | 10.6 | 4.5 | 10.4 | 10.9 | 4.7 | 4.5 | 5.0 | 4.5 | 4.5 | 5.7 | 6.0 |
| | 3 | 10.2 | 10.2 | 3.6 | 10.4 | 9.2 | 3.2 | 3.6 | 2.5 | 3.6 | 4.5 | 6.5 | 6.3 |
| | 4 | 10.1 | 10.1 | 2.7 | 9.7 | 8.8 | 2.6 | 2.5 | 1.8 | 3.4 | 2.2 | 7.0 | 7.1 |
| 1986 | 1 | 8.0 | 8.0 | 2.4 | 7.2 | 7.3 | 2.5 | 2.6 | 2.6 | 2.3 | 3.7 | 4.6 | 5.4 |
| | 2 | 5.9 | 5.9 | 2.0 | 5.0 | 4.8 | 1.8 | 1.8 | 1.6 | 2.2 | 1.3 | 3.2 | 3.8 |
| | 3 | 6.3 | 6.3 | 2.7 | 4.7 | 5.4 | 2.7 | 2.0 | 2.6 | 3.6 | 1.5 | 2.7 | 3.5 |
| | 4 | 5.8 | 5.8 | 3.4 | 4.6 | 5.5 | 3.4 | 2.9 | 3.8 | 3.5 | 2.4 | 1.6 | 2.3 |

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Figures in £ million are given on page 14.
3 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
4 Also known as the index of total home costs.
5 These estimates of change are based in some cases on less rounded figures than in the table.


Gross domestic product (average measure)
1980=100 seasonally adjusted
log scale
200
190
180
170
160
150
140
130
120
110
100
90
80
GDP at current
market prices
Implied deflator of GDP
at market prices
GDP at constant
factor cost
1981
1982
1983
1984
1985
1986


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
25
20
15
10
5
0
–5
Implied deflator of GDP
at market prices
GDP at current
market prices
Real national disposable income
at market prices
1981
1982
1983
1984
1985
1986

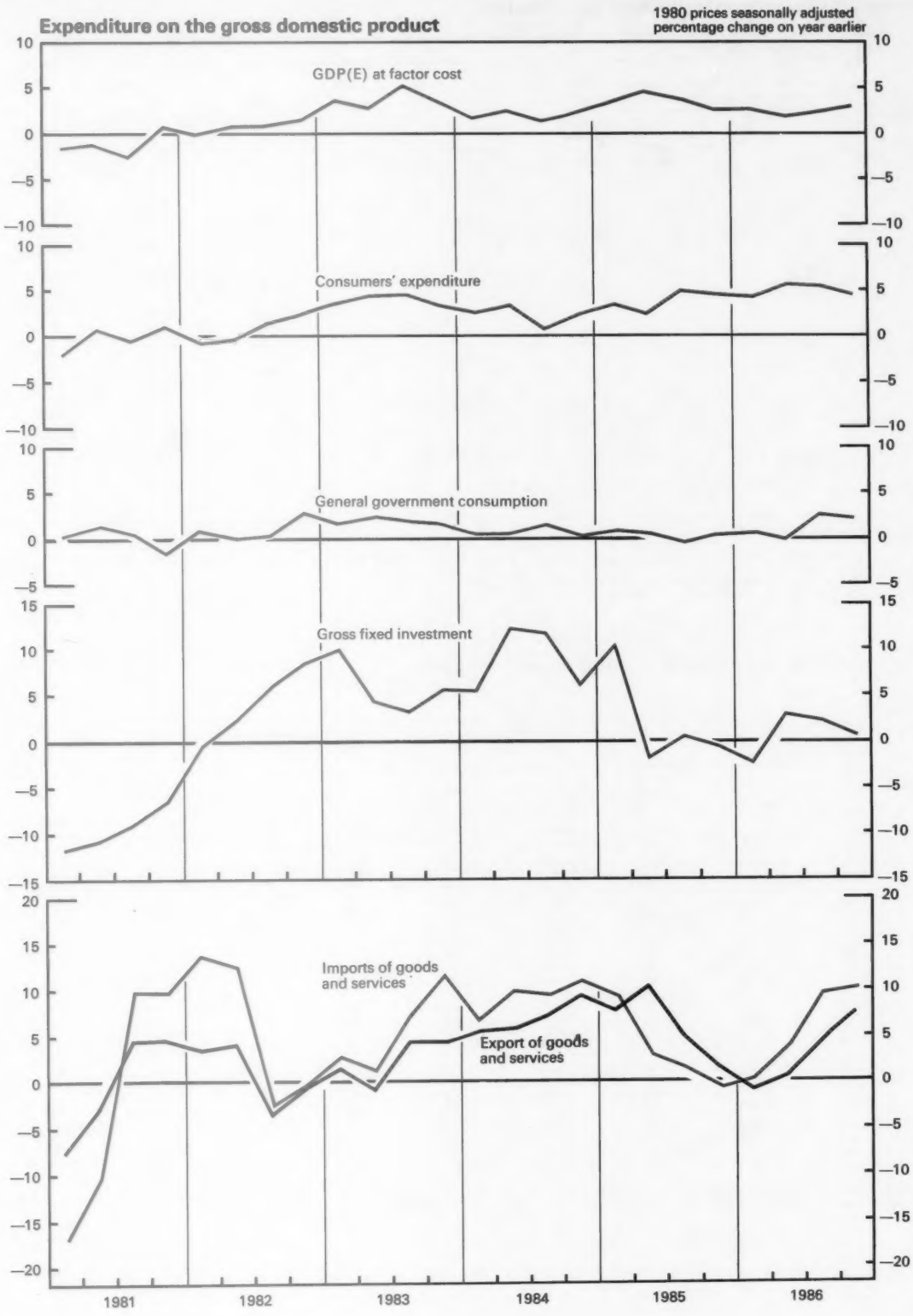
## Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1980 prices

| | | Gross domestic product at factor cost-expenditure based(1) | Final expenditure on goods and services at market prices | | | | | | | | | | Adjustment to factor cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Total(1) | Consumers' expenditure | General government consumption | | | Gross fixed investment | Stock building | Exports of goods and services | Imports of goods and sevices | |
| | | | | | Total(1) | Central government | Local authorities | | | | | |
| | | DJDH | DIAU | CAAB | DIAT | DIAV | DIAW | DECU | DGBA | DJDG | DJDJ | DIAS |
| 1979 | | 203 805 | 295 489 | 137 612 | 48 213 | 29 153 | 19 060 | 43 954 | 2 547 | 63 163 | 59 879 | 31 805 |
| 1980 | | 199 606 | 288 197 | 137 234 | 48 936 | 29 993 | 18 943 | 41 774 | -2 844 | 63 087 | 57 868 | 30 723 |
| 1981 | | 197 850 | 284 352 | 137 220 | 49 042 | 30 236 | 18 803 | 37 844 | -2 490 | 62 738 | 56 404 | 30 098 |
| 1982 | | 199 488 | 289 395 | 138 285 | 49 563 | 30 568 | 18 995 | 39 404 | -1 127 | 63 270 | 58 484 | 30 423 |
| 1983 | | 207 007 | 301 234 | 143 610 | 50 530 | 31 141 | 19 389 | 41 740 | 680 | 64 674 | 62 773 | 31 454 |
| 1984 | | 210 931 | 312 133 | 146 667 | 50 896 | 31 419 | 19 477 | 45 490 | -51 | 69 131 | 68 558 | 32 644 |
| 1985 | | 218 355 | 323 023 | 151 981 | 50 993 | 31 493 | 19 500 | 46 328 | 604 | 73 137 | 70 691 | 33 977 |
| 1986 | | 223 433 | 333 231 | 159 185 | 51 587 | 31 720 | 19 867 | 46 802 | 564 | 75 313 | 74 826 | 34 972 |
| 1979 | 4 | 51 220 | 74 440 | 34 545 | 12 108 | 7 290 | 4 818 | 11 060 | 483 | 16 244 | 15 411 | 7 809 |
| 1980 | 1 | 50 527 | 73 961 | 34 999 | 12 229 | 7 418 | 4 811 | 10 680 | -456 | 16 509 | 15 580 | 7 854 |
| | 2 | 49 681 | 72 367 | 34 038 | 12 114 | 7 397 | 4 717 | 10 631 | -282 | 15 866 | 15 079 | 7 607 |
| | 3 | 50 142 | 71 437 | 34 273 | 12 236 | 7 533 | 4 703 | 10 411 | -848 | 15 365 | 13 770 | 7 525 |
| | 4 | 49 256 | 70 432 | 33 924 | 12 357 | 7 645 | 4 712 | 10 052 | -1 258 | 15 357 | 13 439 | 7 737 |
| 1981 | 1 | 49 945 | 70 255 | 34 341 | 12 243 | 7 564 | 4 679 | 9 460 | -1 020 | 15 231 | 12 950 | 7 360 |
| | 2 | 49 182 | 70 404 | 34 335 | 12 292 | 7 604 | 4 688 | 9 496 | -1 120 | 15 401 | 13 572 | 7 650 |
| | 3 | 48 966 | 71 734 | 34 197 | 12 332 | 7 585 | 4 747 | 9 472 | -300 | 16 033 | 15 132 | 7 636 |
| | 4 | 49 757 | 71 959 | 34 347 | 12 175 | 7 488 | 4 689 | 9 416 | -50 | 16 071 | 14 750 | 7 452 |
| 1982 | 1 | 49 980 | 72 249 | 34 110 | 12 365 | 7 660 | 4 705 | 9 422 | 575 | 15 777 | 14 731 | 7 538 |
| | 2 | 49 535 | 72 493 | 34 232 | 12 324 | 7 615 | 4 709 | 9 722 | 184 | 16 031 | 15 296 | 7 582 |
| | 3 | 49 384 | 71 785 | 34 728 | 12 356 | 7 609 | 4 747 | 10 027 | -854 | 15 508 | 14 771 | 7 610 |
| | 4 | 50 489 | 72 888 | 35 215 | 12 518 | 7 684 | 4 834 | 10 233 | -1 032 | 15 954 | 14 686 | 7 713 |
| 1983 | 1 | 51 739 | 74 666 | 35 346 | 12 559 | 7 744 | 4 815 | 10 354 | 396 | 16 011 | 15 147 | 7 780 |
| | 2 | 51 039 | 74 308 | 35 695 | 12 656 | 7 790 | 4 866 | 10 146 | -80 | 15 891 | 15 473 | 7 798 |
| | 3 | 51 927 | 75 631 | 36 249 | 12 587 | 7 766 | 4 821 | 10 334 | 307 | 16 154 | 15 810 | 7 894 |
| | 4 | 52 302 | 76 629 | 36 320 | 12 728 | 7 841 | 4 887 | 10 906 | 57 | 16 618 | 16 343 | 7 984 |
| 1984 | 1 | 52 658 | 76 894 | 36 270 | 12 614 | 7 751 | 4 863 | 11 008 | 132 | 16 870 | 16 161 | 8 075 |
| | 2 | 52 210 | 77 381 | 36 791 | 12 736 | 7 870 | 4 866 | 11 388 | -360 | 16 806 | 16 992 | 8 159 |
| | 3 | 52 615 | 78 015 | 36 538 | 12 793 | 7 893 | 4 900 | 11 544 | -157 | 17 297 | 17 282 | 8 118 |
| | 4 | 53 448 | 79 863 | 37 068 | 12 753 | 7 905 | 4 848 | 11 550 | 334 | 18 158 | 18 123 | 8 292 |
| 1985 | 1 | 54 458 | 80 501 | 37 448 | 12 712 | 7 892 | 4 820 | 12 123 | 29 | 18 189 | 17 686 | 8 357 |
| | 2 | 54 574 | 80 486 | 37 597 | 12 790 | 7 884 | 4 906 | 11 172 | 393 | 18 514 | 17 501 | 8 391 |
| | 3 | 54 527 | 80 625 | 38 295 | 12 711 | 7 851 | 4 860 | 11 571 | 62 | 17 986 | 17 496 | 8 602 |
| | 4 | 54 796 | 81 431 | 38 621 | 12 780 | 7 866 | 4 914 | 11 462 | 120 | 18 448 | 18 008 | 8 627 |
| 1986 | 1 | 55 855 | 82 108 | 38 977 | 12 768 | 7 864 | 4 904 | 11 803 | 534 | 18 026 | 17 706 | 8 547 |
| | 2 | 55 546 | 82 364 | 39 610 | 12 780 | 7 900 | 4 880 | 11 485 | -141 | 18 630 | 18 154 | 8 664 |
| | 3 | 55 627 | 83 623 | 40 280 | 13 003 | 7 913 | 5 090 | 11 804 | -268 | 18 804 | 19 165 | 8 831 |
| | 4 | 56 405 | 85 136 | 40 298 | 13 036 | 8 043 | 4 993 | 11 510 | 439 | 19 853 | 19 801 | 8 930 |
| | | Percentage change, quarter on corresponding period of previous year | | | | | | | | | | |
| 1981 | 3 | -2.3 | +0.4 | -0.2 | +0.8 | +0.7 | +0.9 | -9.0 | .. | +4.3 | +9.9 | +1.5 |
| | 4 | +1.0 | +2.2 | +1.2 | -1.5 | -2.1 | -0.5 | -6.3 | .. | +4.7 | +9.8 | -3.7 |
| 1982 | 1 | +0.1 | +2.8 | -0.7 | +1.0 | +1.3 | +0.6 | -0.4 | .. | +3.6 | +13.8 | +2.4 |
| | 2 | +0.8 | +3.0 | -0.3 | +0.3 | +0.1 | +0.4 | +2.4 | .. | +4.1 | +12.7 | -1.2 |
| | 3 | +0.9 | - | +1.6 | +0.2 | +0.3 | - | +5.9 | .. | -3.3 | -2.4 | -0.3 |
| | 4 | +1.5 | +1.3 | +2.5 | +2.8 | +2.6 | +3.1 | +8.7 | .. | -0.7 | -0.4 | +3.5 |
| 1983 | 1 | +3.5 | +3.3 | +3.6 | +1.8 | +1.1 | +2.3 | +9.9 | .. | +1.5 | +2.8 | +3.2 |
| | 2 | +2.8 | +2.5 | +4.3 | +2.7 | +2.3 | +3.3 | +4.4 | .. | -0.9 | +1.2 | +3.1 |
| | 3 | +5.2 | +5.4 | +4.4 | +1.9 | +2.1 | +1.6 | +3.1 | .. | +4.2 | +7.0 | +3.7 |
| | 4 | +3.6 | +5.1 | +3.1 | +1.7 | +2.0 | +1.1 | +6.6 | .. | +4.2 | +11.3 | +3.5 |
| 1984 | 1 | +1.8 | +3.0 | +2.6 | +0.4 | +0.1 | +1.0 | +6.3 | .. | +5.4 | +6.7 | +3.8 |
| | 2 | +2.3 | +4.1 | +3.1 | +0.6 | +1.0 | - | +12.2 | .. | +5.8 | +9.8 | +4.7 |
| | 3 | +1.3 | +3.2 | +0.8 | +1.6 | +1.6 | +1.6 | +11.7 | .. | +7.1 | +9.3 | +2.8 |
| | 4 | +2.2 | +4.2 | +2.1 | +0.2 | +0.8 | -0.8 | +5.9 | .. | +9.3 | +10.9 | +3.9 |
| 1985 | 1 | +3.4 | +4.7 | +3.2 | +0.8 | +1.8 | -0.9 | +10.1 | .. | +7.8 | +9.4 | +3.5 |
| | 2 | +4.5 | +4.0 | +2.2 | +0.4 | +0.2 | +0.8 | -1.9 | .. | +10.2 | +3.0 | +2.8 |
| | 3 | +3.6 | +3.3 | +4.8 | -0.6 | -0.5 | -0.8 | +0.2 | .. | +4.0 | +1.2 | +6.0 |
| | 4 | +2.5 | +2.0 | +4.2 | +0.2 | -0.5 | +1.4 | -0.8 | .. | +1.6 | -0.6 | +4.0 |
| 1986 | 1 | +2.6 | +2.0 | +4.1 | +0.4 | -0.4 | +1.7 | -2.6 | .. | -0.9 | +0.1 | +2.3 |
| | 2 | +1.8 | +2.4 | +5.4 | -0.1 | +0.2 | -0.5 | +2.8 | .. | +0.6 | +3.7 | +3.3 |
| | 3 | +2.0 | +3.7 | +5.2 | +2.3 | +0.8 | +4.7 | +2.0 | .. | +4.5 | +9.5 | +2.7 |
| | 4 | +2.9 | +4.6 | +4.3 | +2.0 | +2.3 | +1.6 | +0.4 | .. | +7.6 | +10.0 | +3.5 |

1 For years up to and including 1977, totals differ from the sum of the components because of the method used to rebase on 1980 prices.


Expenditure on the gross domestic product
1980 prices seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Imports of goods and services
Export of goods and services
1981
1982
1983
1984
1985
1986

## Personal disposable income and consumption

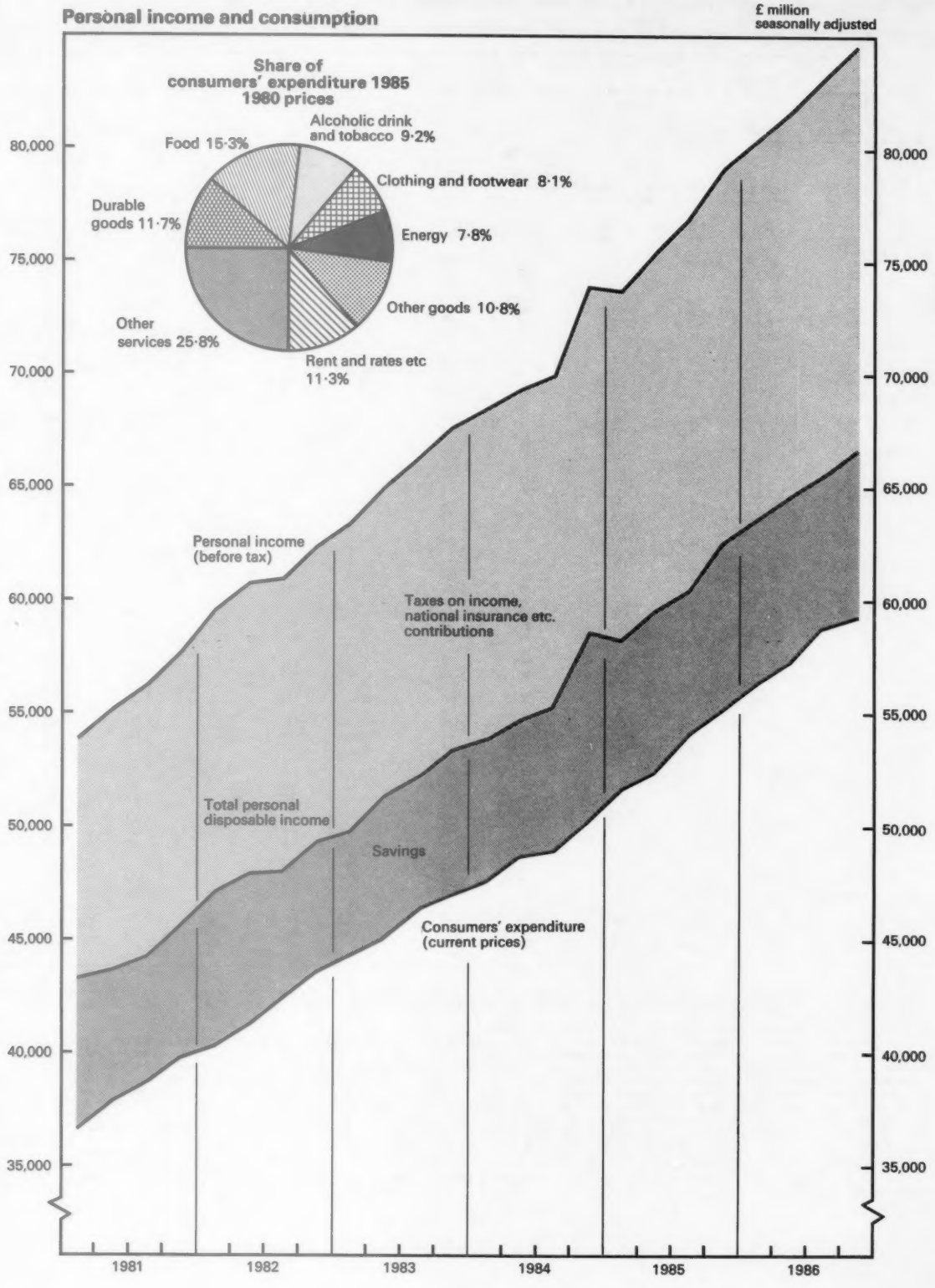
| | | Seasonally adjusted | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | £ million, current prices | | | | Percentage | 1980 prices | | |
| | | Personal income before tax | | | | | | | |
| | | Total(1) | of which: Wages, salaries and forces pay | Total personal disposable income(2) | Consumers' expenditure(3) | Personal saving ratio(4) | Real personal disposable income(5) | | Realconsumers' expenditure(3) |
| | | | | | | | £ million* | 1980 = 100 | £ million |
| | | AIIQ | AIJB | AIIW | AIIX | AIIZ | CFAH | CFAF | CAAB |
| 1983 | | 262 021 | 146 619 | 206 627 | 182 600 | 11.6 | 162 507 | 100.6 | 143 610 |
| 1984 | | 281 368† | 156 245 | 222 357† | 195 341 | 12.1† | 166 951† | 103.3† | 146 667 |
| 1985 | | 305 113 | 169 865 | 240 709 | 213 235 | 11.4 | 171 540 | 106.2 | 151 961 |
| 1986 | | 329 622 | 183 954 | 260 278 | 231 632 | 11.0 | 178 849 | 110.7 | 159 165 |
| 1983 | 1 | 63 302 | 35 814 | 49 749 | 44 275 | 11.0 | 39 717 | 98.3 | 35 346 |
| | 2 | 64 983† | 36 331 | 51 316† | 45 011 | 12.3 | 40 696† | 100.7 | 35 695 |
| | 3 | 66 217 | 36 867 | 52 181 | 46 336 | 11.2 | 40 823 | 101.1 | 36 249 |
| | 4 | 67 519 | 37 607 | 53 381 | 46 978 | 12.0 | 41 271 | 102.2 | 36 320 |
| 1984 | 1 | 68 319 | 38 058 | 53 803 | 47 510 | 11.7† | 41 080 | 101.7† | 36 270 |
| | 2 | 69 281 | 38 550 | 54 676 | 48 703 | 10.9 | 41 309 | 102.3 | 36 791 |
| | 3 | 69 918 | 39 120 | 55 346 | 48 894 | 11.7 | 41 365 | 102.4 | 36 538 |
| | 4 | 73 850 | 40 517 | 58 532 | 50 234 | 14.2 | 43 197 | 106.9 | 37 068 |
| 1985 | 1 | 73 685 | 41 139 | 58 233 | 51 679 | 11.3 | 42 197 | 104.5 | 37 448 |
| | 2 | 75 412 | 42 065 | 59 535 | 52 373 | 12.0 | 42 738 | 105.8 | 37 597 |
| | 3 | 76 883 | 42 922 | 60 431 | 54 040 | 10.6 | 42 824 | 106.0 | 38 295 |
| | 4 | 79 133 | 43 719 | 62 510 | 55 143 | 11.8 | 43 781 | 108.4 | 38 621 |
| 1986 | 1 | 80 337 | 44 550 | 63 536 | 56 270 | 11.4 | 44 009 | 108.9 | 38 977 |
| | 2 | 81 642 | 45 610 | 64 603 | 57 259 | 11.4 | 44 689 | 110.6 | 39 610 |
| | 3 | 83 057 | 46 292 | 65 501 | 58 841 | 10.2 | 44 838 | 111.0 | 40 280 |
| | 4 | 84 586 | 47 502 | 66 638 | 59 262 | 11.1 | 45 313 | 112.2 | 40 298 |

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
4 Personal savings as a percentage of personal disposable income.
5 Personal disposable income revalued by the implied consumers' expenditure deflator (1980 = 100).

## Real consumers' expenditure – component categories

| | | Seasonally adjusted | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | £ million, 1980 prices | | | | | | | | |
| | | | | Other goods | | | | | Other services | |
| | | Total | Durable goods: total | Food | Alcoholic drink and tobacco | Clothing and footwear | Energy products | Other goods | Rent and rates etc. | Other services(1) |
| | | CAAB | CDBW | CCCA | FCCD | FCCE | CCCG | CCCM | CCCN | CCCJ |
| 1983 | | 143 610 | 16 461 | 23 109 | 13 812 | 10 892 | 11 203 | 15 071 | 16 899 | 36 363 |
| 1984 | | 146 667 | 16 633 | 22 891 | 13 926 | 11 561 | 11 329 | 15 854 | 16 948 | 37 525 |
| 1985 | | 151 961 | 17 851 | 23 197 | 14 061 | 12 378 | 11 840 | 16 474 | 17 113 | 39 047 |
| 1986 | | 159 165 | 19 429 | 23 908 | 13 917 | 13 279 | 12 317 | 17 379 | 17 284 | 41 654 |
| 1983 | 1 | 35 346 | 4 049 | 5 724 | 3 414 | 2 634 | 2 749 | 3 724 | 4 154 | 8 898 |
| | 2 | 35 695 | 4 012 | 5 744 | 3 415 | 2 716 | 2 873 | 3 730 | 4 167 | 9 038 |
| | 3 | 36 249 | 4 227 | 5 807 | 3 499 | 2 750 | 2 786 | 3 785 | 4 181 | 9 214 |
| | 4 | 36 320 | 4 173 | 5 834 | 3 484 | 2 792 | 2 795 | 3 832 | 4 197 | 9 213 |
| 1984 | 1 | 36 270 | 4 086 | 5 759 | 3 493 | 2 779 | 2 867 | 3 842 | 4 216 | 9 218 |
| | 2 | 36 791 | 4 233 | 5 782 | 3 476 | 2 858 | 2 812 | 3 977 | 4 232 | 9 441 |
| | 3 | 36 538 | 4 049 | 5 654 | 3 477 | 2 935 | 2 798 | 3 998 | 4 245 | 9 382 |
| | 4 | 37 068 | 4 255 | 5 716 | 3 480 | 2 989 | 2 852 | 4 037 | 4 255 | 9 484 |
| 1985 | 1 | 37 448 | 4 332 | 5 691 | 3 492 | 3 042 | 2 925 | 4 053 | 4 262 | 9 651 |
| | 2 | 37 597 | 4 344 | 5 780 | 3 508 | 3 107 | 2 927 | 4 096 | 4 273 | 9 562 |
| | 3 | 38 295 | 4 617 | 5 862 | 3 502 | 3 114 | 2 993 | 4 137 | 4 284 | 9 786 |
| | 4 | 38 621 | 4 558 | 5 864 | 3 555 | 3 115 | 2 995 | 4 188 | 4 294 | 10 048 |
| 1986 | 1 | 38 977 | 4 517 | 5 905 | 3 427 | 3 224 | 3 106 | 4 176 | 4 303 | 10 317 |
| | 2 | 39 610 | 4 825 | 5 970 | 3 500 | 3 289 | 3 076 | 4 259 | 4 312 | 10 379 |
| | 3 | 40 280 | 5 072 | 6 066 | 3 484 | 3 365 | 3 080 | 4 436 | 4 326 | 10 451 |
| | 4 | 40 298 | 5 015 | 5 965 | 3 506 | 3 401 | 3 053 | 4 508 | 4 343 | 10 507 |

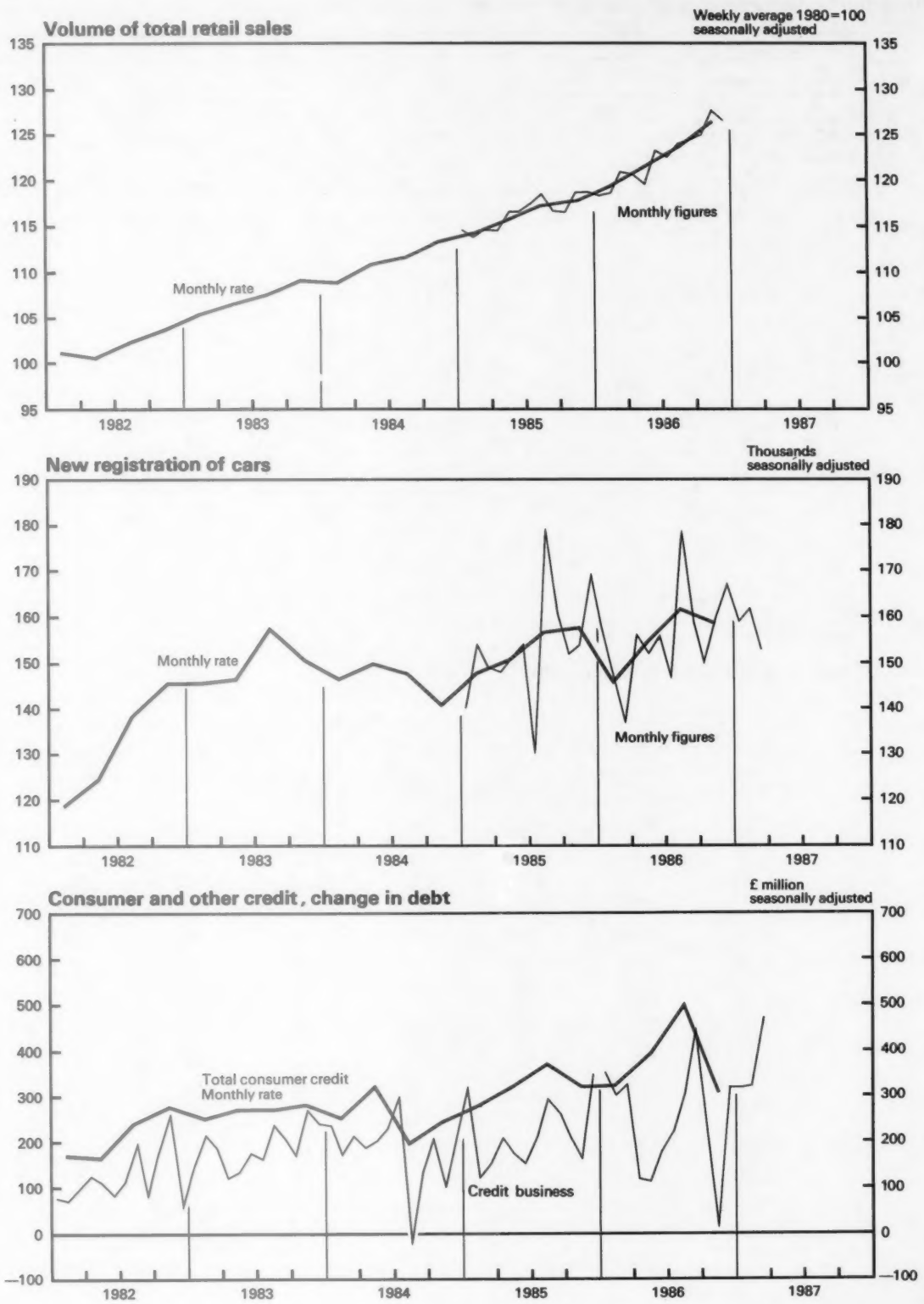
1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1985
1980 prices
Alcoholic drink
and tobacco 9·2%
Food 15·3%
Clothing and footwear 8·1%
Durable
goods 11·7%
Energy 7·8%
Other goods 10·8%
Other
services 25·8%
Rent and rates etc
11·3%
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1981
1982
1983
1984
1985
1986

## Retail sales, new registrations of cars and credit business (Great Britain)

| | | Seasonally adjusted | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Weekly average 1980=100 | | | | | | | Thousands(1) | £ million | | |
| | | Value of retail Sales(2,3) | Volume of retail sales (2,3) | | | | | | | Consumer credit | Credit business(4) | |
| | | Total(5) | Total(5) | Food retailers(5) | Mixed retail businesses(5) | Clothing and footwear retailers | Household goods retailers | Other non-food retailers | New registrations of cars(6) | Change in total outstanding | New credit advanced | Change in amounts outstanding |
| Sales in 1980 £ million | | 58 377 | 58 377 | 22 859 | 10 945 | 5 413 | 9 234 | 9 926 | | | | |
| | | FAAL | FAAM | FAAN | FAAO | FAAP | FAAQ | FAAR | DKBY | AIKM | FHBH | FHBI |
| 1981 | | 108.2 | 100.2 | 100.7 | 100.4 | 98† | 102 | 99 | 125 | 2 473 | 7 861 | +627 |
| 1982 | | 117.1 | 102.1† | 101.5† | 103.9 | 101 | 106 | 99 | 132 | 2 621 | 9 087 | +1 446 |
| 1983 | | 127.9† | 107.4 | 105.0 | 108.3† | 110 | 118† | 100 | 150 | 3 284 | 10 524 | +2 246 |
| 1984 | | 138.2 | 111.3 | 106.9 | 111.2 | 119 | 126 | 103† | 147 | 3 094 | 11 507 | +2 159 |
| 1985 | | 150.4 | 116.4 | 110.8 | 116.7 | 128 | 135 | 105 | 154 | 3 929 | 12 996 | +2 586 |
| 1986 | | 162.9 | 122.6 | 114.4 | 123.6 | 137 | 150 | 107 | 155 | 4 630 | 31 515 | +2 952 |
| 1984 | 1 | 133.1† | 109.0† | 105.6† | 108.6† | 114† | 122† | 102† | 147 | 771 | 2 844 | +619 |
| | 2 | 137.4 | 111.0 | 106.8 | 111.0 | 118 | 125 | 104 | 150 | 974 | 2 893 | +614 |
| | 3 | 139.8 | 111.8 | 107.2 | 111.9 | 121 | 127 | 104 | 148 | 604 | 2 812 | +413 |
| | 4 | 142.7 | 113.5 | 108.0 | 113.4 | 124 | 131 | 104 | 141 | 745 | 2 958 | +513 |
| 1985 | 1 | 145.5 | 114.4 | 109.1 | 115.2 | 125 | 132 | 103 | 148 | 852 | 3 103 | +586 |
| | 2 | 149.2 | 115.9 | 110.4 | 117.0 | 127 | 133 | 105 | 151 | 981 | 3 083 | +533 |
| | 3 | 152.4 | 117.3 | 111.8 | 117.5 | 128 | 137 | 105 | 157 | 1 124 | 3 374 | +745 |
| | 4 | 154.3 | 117.9 | 111.8 | 117.2 | 130 | 139 | 106 | 158 | 972 | 3 436 | +722 |
| 1986 | 1 | 157.1 | 119.3 | 113.5 | 120.2 | 132 | 141 | 105 | 146 | 977 | 7 375 | +980 |
| | 2 | 160.8 | 121.3 | 113.7 | 120.9 | 136 | 148 | 106 | 155 | 1 198 | 7 739 | +418 |
| | 3 | 164.9 | 123.7 | 114.4 | 125.4 | 138 | 154 | 108 | 162 | 1 508 | 8 223 | +956 |
| | 4 | 169.4 | 126.5 | 116.3 | 128.2 | 141 | 159 | 110 | 159 | 947 | 8 178 | +556 |
| 1987 | 1 | 168.3 | 125.4 | 116.8 | 127.6 | 140 | 154 | 109 | 158† | | 8 881† | +1 117† |
| 1985 | A | 146.9 | 114.4† | 109.1† | 115.7† | 126† | 131† | 104† | 148 | .. | 1 062 | +214 |
| | M | 149.9 | 116.5 | 111.1 | 117.8 | 128 | 134 | 105 | 151 | .. | 1 044 | +173 |
| | J | 150.5 | 116.5 | 110.9 | 117.4 | 128 | 135 | 105 | 154 | .. | 977 | +146 |
| | J | 151.6 | 117.3 | 111.8 | 116.4 | 130 | 137 | 106 | 131 | .. | 1 119 | +218 |
| | A | 153.9 | 118.5 | 112.1 | 121.7 | 131 | 138 | 105 | 179 | .. | 1 124 | +272 |
| | S | 151.9 | 116.5 | 111.5 | 115.1 | 125 | 137 | 106 | 161 | .. | 1 131 | +255 |
| | O | 152.1 | 116.4 | 111.1 | 115.1 | 125 | 137 | 106 | 152 | .. | 1 145 | +198 |
| | N | 155.3 | 118.5 | 112.4 | 117.0 | 136 | 139 | 105 | 154 | .. | 1 100 | +190 |
| | | | | | | | | | | | 1 191 | +334 |
| | D | 155.3 | 118.6 | 111.9 | 119.0 | 130 | 141 | 106 | 169 | .. | 2 282 | - |
| 1986 | J | 155.3 | 118.2 | 112.8 | 120.4 | 129 | 139 | 103 | 157 | .. | 2 540 | +353 |
| | F | 156.3 | 118.6 | 113.9 | 117.9 | 129 | 141 | 104 | 144 | .. | 2 463 | +302 |
| | M | 159.6 | 120.9 | 113.9 | 121.8 | 137 | 144 | 106 | 137 | .. | 2 372 | +325 |
| | A | 159.3 | 120.7 | 114.0 | 119.5 | 134 | 149 | 104 | 156 | .. | 2 717 | +120 |
| | M | 158.6 | 119.6 | 112.0 | 119.6 | 135 | 146 | 105 | 152 | .. | 2 409 | +117 |
| | J | 163.9 | 123.2 | 114.8 | 123.1 | 140 | 150 | 109 | 156 | .. | 2 613 | +181 |
| | J | 162.8 | 122.6 | 113.7 | 123.7 | 134 | 152 | 108 | 147 | .. | 2 685 | +219 |
| | A | 165.3 | 123.9 | 114.3 | 125.9 | 140 | 154 | 107 | 178 | .. | 2 668 | +302 |
| | S | 168.2 | 124.5 | 115.0 | 126.4 | 140 | 154 | 108 | 159 | .. | 2 870 | +447 |
| | O | 167.2 | 125.0 | 116.1 | 126.7 | 139 | 154 | 109 | 150 | .. | 2 759 | +247 |
| | N | 171.1 | 127.8 | 116.7 | 132.1 | 142 | 160 | 111 | 160 | .. | 2 635 | +18 |
| | D | 169.7 | 126.7 | 116.0 | 126.4 | 142 | 162 | 111 | 167 | .. | 2 784 | +321 |
| 1987 | J | 167.3 | 123.6 | 116.1 | 125.6 | 139 | 145 | 107 | 159 | .. | 2 695 | +320 |
| | F | 171.2 | 127.0 | 116.6 | 128.7 | 142 | 159 | 111 | 162 | .. | 2 948 | +322† |
| | M | 169.3 | 125.5 | 115.9 | 128.3 | 138 | 157 | 108 | 153† | .. | 3 238† | +475 |

1 Monthly averages.
2 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.
3 The retail sales index has been rebased using detailed information for 1984.
4 Credit business of finance houses and other specialist credit grantors (excluding loans for dealer stock funding and property development), Building Societies in respect of unsecured loans from the beginning of 1987 (as permitted under the terms of the Building Societies Act 1986), retailers, ie clothing retailers, household goods retailers, mixed business retailers (other than co-operative societies) and general mail order houses, and on bank credit cards. The credit business of High Street Banks (other than credit cards), Building Societies (other than unsecured loans) and insurance companies is outside the scope of these series. There is a break at the end of 1985. Before this credit advanced excluded running-account and block discounted agreements by finance houses and other specialist credit grantors, and lending on bank credit cards. Amounts outstanding excluding block discounted agreements outstanding to finance houses and other specialist credit grantors and amounts owed on bank credit cards. An estimate for new credit advanced for December 1985 on the same basis as subsequent figures is included for comparison.
5 These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
6 Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly affect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
135
130
125
120
115
110
105
100
95
Monthly rate
Monthly figures
1982
1983
1984
1985
1986
1987
New registration of cars
Thousands
seasonally adjusted
190
180
170
160
150
140
130
120
110
Monthly rate
Monthly figures
1982
1983
1984
1985
1986
1987
Consumer and other credit, change in debt
£ million
seasonally adjusted
700
600
500
400
300
200
100
0
—100
Total consumer credit
Monthly rate
Credit business
1982
1983
1984
1985
1986
1987

## Gross domestic product and shares of income and expenditure

Seasonally adjusted

| | £ million | | | Per cent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross domestic product at current factor cost | | Total final expenditure (current market prices) | Percentage share of total final expenditure | | | | | | Percentage share of gross domestic product (income based) | | | | |
| | | | | | | Gross fixed investment | | | | | Gross trading profits | | Income from self-employment(1) | |
| | Expenditure based | Income based | | Consumers' expenditure | General government consumption | General government | Public corporations | Private sector | Exports | Income from employment | Companies(1) | Other (1,2) | | Other income(3) |
| | DJBA | DJBE | ETAB | FBBD | FBBE | FBBF | FBBG | FBBH | FBBI | FBBJ | FBBK | FBBL | FBBM | FBBN |
| 1981 | 218 119 | 216 688 | 314 870 | 48.6 | 17.6 | 1.4 | 2.1 | 9.6 | 21.5 | 68.4 | 10.9 | 3.5 | 8.8 | 8.3 |
| 1982 | 235 362 | 236 529 | 344 263 | 48.6 | 17.6 | 1.2 | 2.0 | 9.7 | 21.2 | 67.0 | 11.9 | 3.8 | 9.0 | 8.3 |
| 1983 | 258 017 | 258 423 | 378 401 | 48.2 | 17.4 | 1.5 | 2.1 | 9.3 | 21.2 | 65.8 | 13.5 | 3.7 | 9.1 | 7.9 |
| 1984 | 275 048 | 279 484 | 412 243 | 47.4 | 16.9 | 1.6 | 1.8 | 10.1 | 22.3 | 64.5 | 15.2 | 2.7 | 9.8 | 7.6 |
| 1985 | 302 368 | 305 492 | 450 265 | 47.3 | 16.5 | 1.4 | 1.3 | 10.6 | 22.7 | 64.0 | 16.2 | 2.3 | 9.8 | 7.6 |
| 1986 | 318 659 | 322 996 | 474 222 | 48.9 | 16.8 | 1.6 | 1.2 | 10.8 | 20.6 | 65.3 | 13.9 | 2.6 | 10.4 | 7.7 |
| | | | | | | | | | | | | | FBBO | |
| 1982 4 | 61 191 | 60 874 | 86 619 | 49.2 | 17.6 | 1.3 | 2.1 | 9.8 | 21.3 | 66.3 | 12.9 | 3.6 | 17.1 | |
| 1983 1 | 63 354 | 62 639 | 92 466 | 47.9 | 17.7 | 1.6 | 2.1 | 9.2 | 21.1 | 66.2 | 12.9 | 3.9 | 16.9 | |
| 2 | 62 775 | 63 710 | 92 472 | 48.7 | 17.7 | 1.4 | 2.1 | 9.3 | 21.2 | 66.2 | 13.0 | 3.8 | 17.0 | |
| 3 | 65 288 | 65 335 | 95 477 | 48.5 | 17.2 | 1.5 | 2.1 | 9.2 | 21.2 | 65.5 | 14.1 | 3.4 | 16.9 | |
| 4 | 66 600 | 66 739 | 97 986 | 47.9 | 17.2 | 1.6 | 2.1 | 9.6 | 21.5 | 65.3 | 13.9 | 3.7 | 17.0 | |
| 1984 1 | 67 582 | 68 043 | 99 524 | 47.7 | 17.0 | 1.6 | 2.0 | 9.7 | 22.0 | 64.7 | 14.6 | 3.4 | 17.3 | |
| 2 | 67 643 | 68 625 | 101 133 | 48.2 | 17.0 | 1.6 | 1.8 | 10.1 | 21.9 | 64.9 | 14.5 | 3.0 | 17.6 | |
| 3 | 68 739 | 70 616 | 103 606 | 47.2 | 17.1 | 1.6 | 1.8 | 10.3 | 22.2 | 63.9 | 15.9 | 2.6 | 17.5 | |
| 4 | 71 084 | 72 200 | 107 980 | 46.5 | 16.7 | 1.6 | 1.6 | 10.3 | 23.1 | 64.7 | 15.8 | 2.0 | 17.5 | |
| 1985 1 | 73 817 | 73 679 | 111 296 | 46.4 | 16.4 | 1.3 | 1.4 | 11.1 | 23.4 | 64.3 | 16.7 | 1.5 | 17.5 | |
| 2 | 74 706 | 76 100 | 111 885 | 46.8 | 16.5 | 1.4 | 1.3 | 10.1 | 23.5 | 63.7 | 16.5 | 2.5 | 17.3 | |
| 3 | 75 900 | 77 132 | 112 224 | 48.2 | 16.4 | 1.5 | 1.3 | 10.6 | 22.0 | 64.1 | 15.8 | 2.7 | 17.4 | |
| 4 | 77 945 | 78 581 | 114 880 | 48.0 | 16.5 | 1.5 | 1.1 | 10.6 | 22.0 | 64.0 | 15.9 | 2.5 | 17.5 | |
| 1986 1 | 79 158 | 79 027 | 116 373 | 48.4 | 16.7 | 1.7 | 1.2 | 10.7 | 20.8 | 64.8 | 14.6 | 2.7 | 18.0 | |
| 2 | 78 473 | 79 773 | 116 252 | 49.3 | 17.0 | 1.6 | 1.2 | 10.7 | 20.6 | 65.6 | 13.3 | 2.9 | 18.2 | |
| 3 | 79 503 | 81 282 | 118 851 | 49.5 | 16.9 | 1.5 | 1.2 | 11.1 | 20.1 | 65.3 | 14.0 | 2.5 | 18.2 | |
| 4 | 81 525 | 82 914 | 122 746 | 48.3 | 16.8 | 1.5 | 1.1 | 10.6 | 21.1 | 65.5 | 13.8 | 2.4 | 18.2 | |

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

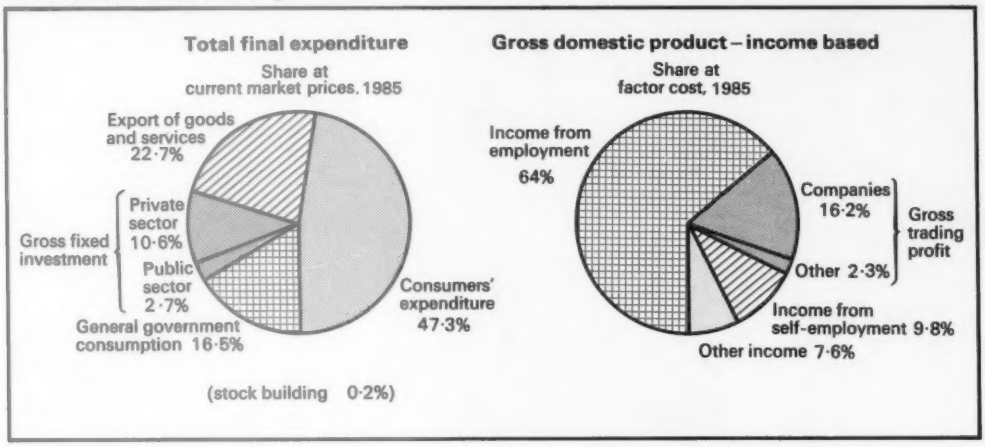
## Income, product and spending per capita

Seasonally adjusted

| | £, current prices | | | | £, 1980 prices | | |
|---|---|---|---|---|---|---|---|
| | Gross national product(1) | Gross domestic product(1,2) | Consumers' expenditure | Personal disposable income | Gross domestic product(1,2) | Consumers' expenditure | Personal disposable income |
| | FBCA | FBCB | FBCC | FBCD | FBCE | FBCF | FBCH |
| 1981 | 3 886 | 3 869 | 2 711 | 3 132 | 3 509 | 2 434 | 2 811 |
| 1982 | 4 195 | 4 178 | 2 971 | 3 411 | 3 541 | 2 455 | 2 818 |
| 1983 | 4 620 | 4 577 | 3 239 | 3 665 | 3 672 | 2 547 | 2 882 |
| 1984 | 4 942 | 4 869 | 3 458 | 3 936 | 3 734 | 2 596 | 2 955 |
| 1985 | 5 392 | 5 340 | 3 766 | 4 251 | 3 857 | 2 684 | 3 030 |
| 1986 | 5 700 | 5 625 | 4 089 | 4 594 | 3 944 | 2 809 | 3 157 |
| | | | | | | | CAIU |
| 1982 4 | 1 095 | 1 086 | 773 | 874 | 896 | 625 | 707 |
| 1983 1 | 1 135 | 1 124 | 786 | 883 | 918 | 627 | 705 |
| 2 | 1 118 | 1 114 | 798 | 910 | 908 | 633 | 722 |
| 3 | 1 175 | 1 158 | 822 | 926 | 921 | 643 | 724 |
| 4 | 1 192 | 1 181 | 833 | 946 | 927 | 644 | 731 |
| 1984 1 | 1 211 | 1 197 | 842 | 953 | 933 | 642 | 728 |
| 2 | 1 213 | 1 198 | 862 | 968 | 925 | 651 | 731 |
| 3 | 1 237 | 1 217 | 865 | 980 | 931 | 647 | 732 |
| 4 | 1 281 | 1 257 | 889 | 1 035 | 945 | 656 | 764 |
| 1985 1 | 1 321 | 1 305 | 913 | 1 029 | 963 | 662 | 746 |
| 2 | 1 332 | 1 319 | 925 | 1 051 | 964 | 664 | 755 |
| 3 | 1 360 | 1 340 | 954 | 1 057 | 963 | 676 | 756 |
| 4 | 1 379 | 1 376 | 974 | 1 104 | 967 | 682 | 773 |
| 1986 1 | 1 412 | 1 398 | 993 | 1 122 | 986 | 688 | 777 |
| 2 | 1 401 | 1 385 | 1 011 | 1 140 | 981 | 699 | 789 |
| 3 | 1 427 | 1 403 | 1 039 | 1 156 | 982 | 711 | 791 |
| 4 | 1 460 | 1 439 | 1 046 | 1 176 | 995 | 711 | 800 |

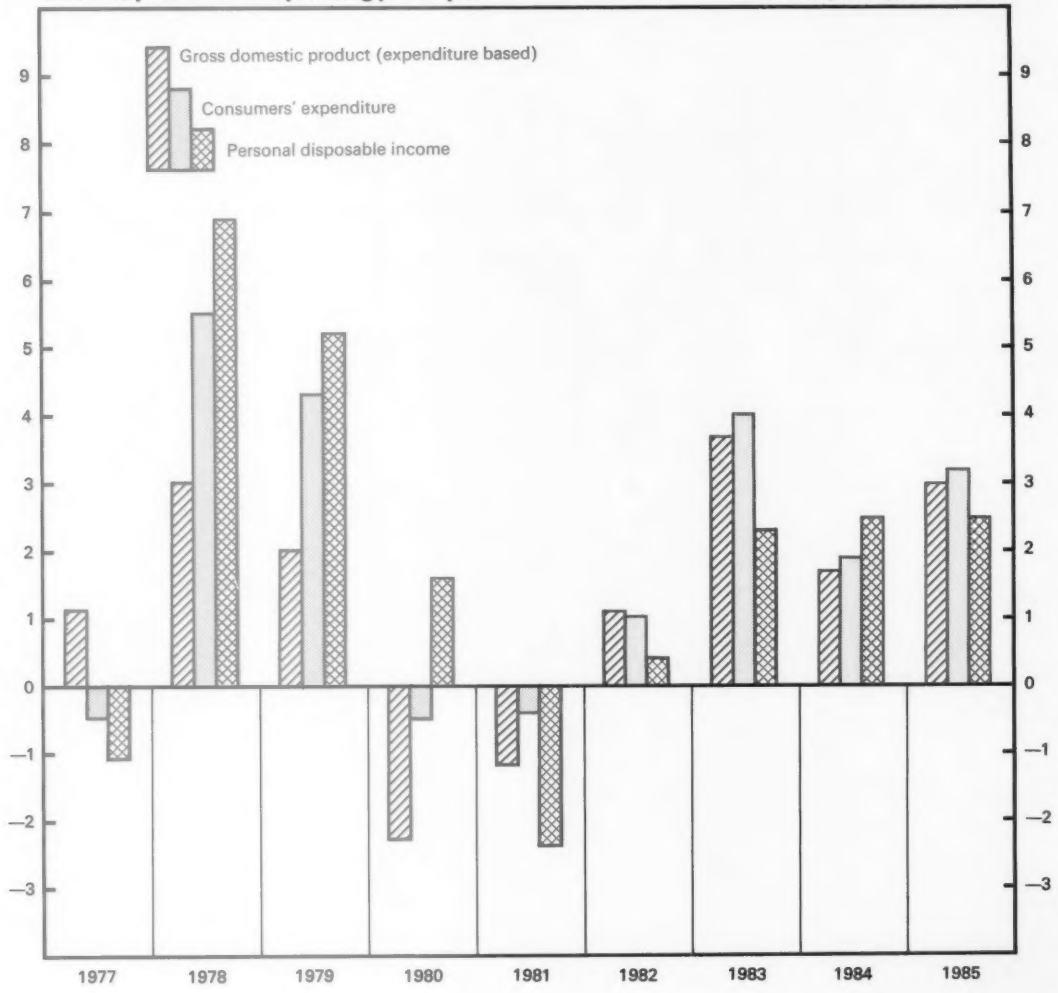
1 At factor cost.
2 Based on expenditure data.

## Shares of income and expenditure




## Income, product and spending *per capita*

1980 prices
percentage change on year earlier



## Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

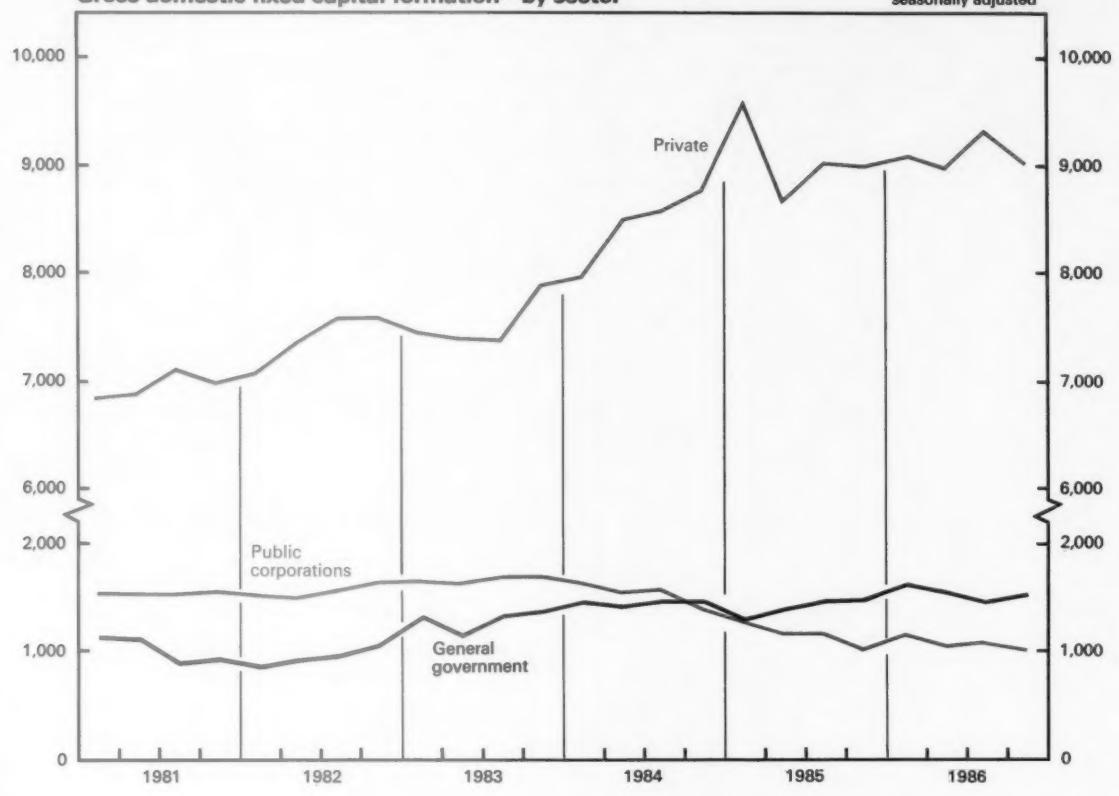
£ million, 1980 prices(1)

| | | Sector(2) | | | | Type of asset | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Dwellings | | | | | |
| | | Total | Private sector | General government | Public corporations | Total | of which: Private | of which: Public | Other new building and works(3) | Vehicles, ships and aircraft | Plant and machinery |
| | | DECU | DFEB | DFED | DFDA | DFEG | DFEA | DFEC | DFCV | DEBP | DEBO |
| 1978 | | 42 726 | 29 201 | 6 718 | 6 807 | 9 048 | 5 934 | 3 114 | 14 563 | 5 187 | 13 928 |
| 1979 | | 43 954 | 30 732 | 6 423 | 6 799 | 9 361 | 6 468 | 2 893 | 14 137 | 5 446 | 15 010 |
| 1980 | | 41 774 | 29 641 | 5 498 | 6 635 | 8 675 | 6 116 | 2 559 | 13 544 | 4 577 | 14 978 |
| 1981 | | 37 844 | 27 739 | 4 060 | 6 045 | 7 174 | 5 454 | 1 720 | 13 220 | 3 549 | 13 901 |
| 1982 | | 39 404 | 29 482 | 3 788 | 6 134 | 7 284 | 5 457 | 1 827 | 14 348 | 3 653 | 14 119 |
| 1983 | | 41 740 | 29 966 | 5 174 | 6 600 | 8 417 | 6 075 | 2 342 | 14 801 | 3 750 | 14 772 |
| 1984 | | 45 490 | 33 675 | 5 790 | 6 025 | 8 867 | 6 616 | 2 251 | 16 190 | 4 369 | 16 064 |
| 1985 | | 46 328 | 36 204 | 5 613 | 4 511 | 8 409 | 6 415 | 1 994 | 15 851 | 4 680 | 17 388 |
| 1986 | | 46 602 | 36 282 | 6 170 | 4 150 | 9 288 | 7 263 | 2 025 | 15 928 | 4 170 | 17 216 |
| 1981 | 4 | 9 416 | 6 976 | 919 | 1 521 | 1 611 | 1 200 | 411 | 3 414 | 937 | 3 454 |
| 1982 | 1 | 9 422 | 7 063 | 861 | 1 498 | 1 704 | 1 279 | 425 | 3 450 | 851 | 3 417 |
| | 2 | 9 722 | 7 328 | 914 | 1 480 | 1 795 | 1 368 | 429 | 3 487 | 872 | 3 568 |
| | 3 | 10 027 | 7 539 | 953 | 1 535 | 1 786 | 1 324 | 462 | 3 683 | 1 013 | 3 565 |
| | 4 | 10 233 | 7 552 | 1 060 | 1 621 | 2 019 | 1 488 | 531 | 3 728 | 917 | 3 569 |
| 1983 | 1 | 10 354 | 7 404 | 1 318 | 1 632 | 2 157 | 1 519 | 638 | 3 683 | 870 | 3 644 |
| | 2 | 10 146 | 7 370 | 1 183 | 1 613 | 2 002 | 1 472 | 530 | 3 558 | 960 | 3 626 |
| | 3 | 10 334 | 7 344 | 1 314 | 1 676 | 2 094 | 1 519 | 575 | 3 654 | 906 | 3 680 |
| | 4 | 10 906 | 7 848 | 1 379 | 1 679 | 2 164 | 1 565 | 599 | 3 906 | 1 014 | 3 822 |
| 1984 | 1 | 11 008 | 7 939 | 1 453 | 1 616 | 2 203 | 1 615 | 588 | 3 989 | 1 043 | 3 773 |
| | 2 | 11 388 | 8 459 | 1 412 | 1 517 | 2 267 | 1 709 | 558 | 4 133 | 996 | 3 992 |
| | 3 | 11 544 | 8 560 | 1 466 | 1 518 | 2 251 | 1 685 | 566 | 4 022 | 1 133 | 4 138 |
| | 4 | 11 550 | 8 717 | 1 459 | 1 374 | 2 146 | 1 607 | 539 | 4 046 | 1 197 | 4 161 |
| 1985 | 1 | 12 123 | 9 579 | 1 294 | 1 250 | 2 100 | 1 574 | 526 | 3 940 | 1 456 | 4 627 |
| | 2 | 11 172 | 8 659 | 1 382 | 1 131 | 2 070 | 1 590 | 480 | 3 983 | 1 121 | 4 018 |
| | 3 | 11 571 | 8 987 | 1 451 | 1 133 | 2 124 | 1 621 | 503 | 3 992 | 1 105 | 4 350 |
| | 4 | 11 462 | 8 979 | 1 486 | 997 | 2 115 | 1 630 | 485 | 3 956 | 998 | 4 393 |
| 1986 | 1 | 11 803 | 9 071 | 1 617 | 1 115 | 2 194 | 1 614 | 580 | 4 143 | 1 025 | 4 441 |
| | 2 | 11 485 | 8 928 | 1 545 | 1 012 | 2 281 | 1 796 | 485 | 3 853 | 1 085 | 4 266 |
| | 3 | 11 804 | 9 289 | 1 471 | 1 044 | 2 469 | 1 991 | 478 | 4 004 | 1 033 | 4 298 |
| | 4 | 11 510 | 8 994 | 1 537 | 979 | 2 344 | 1 862 | 482 | 3 928 | 1 027 | 4 211 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | |
| 1981 | 4 | -6.3 | -2.8 | -29.2 | -3.5 | -20.3 | -17.4 | -27.9 | +1.7 | -14.4 | -3.5 |
| 1982 | 1 | -0.4 | +3.7 | -24.5 | -0.7 | -9.7 | -13.1 | +2.7 | +5.4 | +5.3 | -2.2 |
| | 2 | +2.4 | +6.7 | -18.0 | -2.1 | -4.8 | -4.1 | -6.9 | +8.4 | -7.3 | +3.4 |
| | 3 | +5.9 | +6.4 | +7.7 | +2.1 | -1.5 | -2.5 | +1.8 | +11.1 | +17.4 | +1.8 |
| | 4 | +8.7 | +8.3 | +15.3 | +6.6 | +25.3 | +24.0 | +29.2 | +9.2 | -2.1 | +3.3 |
| 1983 | 1 | +9.9 | +4.8 | +53.1 | +8.9 | +26.6 | +18.8 | +50.1 | +6.8 | +2.2 | +6.6 |
| | 2 | +4.4 | +0.6 | +27.2 | +9.0 | +11.5 | +7.8 | +23.5 | +2.0 | +10.1 | +1.6 |
| | 3 | +3.1 | -2.6 | +37.9 | +9.2 | +18.6 | +14.7 | +30.1 | -0.8 | -10.6 | +3.2 |
| | 4 | +6.6 | +3.9 | +30.1 | +3.6 | +7.2 | +5.2 | +12.8 | +4.8 | +10.6 | +7.1 |
| 1984 | 1 | +6.3 | +7.2 | +10.2 | -1.0 | +2.1 | +6.3 | -7.8 | +8.3 | +19.9 | +3.5 |
| | 2 | +12.2 | +14.8 | +21.4 | -6.0 | +13.2 | +16.1 | +5.3 | +16.2 | +3.8 | +10.1 |
| | 3 | +11.7 | +16.6 | +11.6 | -9.4 | +7.5 | +10.9 | -1.6 | +10.1 | +25.1 | +12.4 |
| | 4 | +5.9 | +11.1 | +5.8 | -18.2 | -0.8 | +2.7 | -10.0 | +3.6 | +18.0 | +8.9 |
| 1985 | 1 | +10.1 | +20.7 | -10.9 | -22.6 | -4.7 | -2.5 | -10.5 | -1.2 | +39.6 | +22.6 |
| | 2 | -1.9 | +2.4 | -2.1 | -25.4 | -8.7 | -7.0 | -14.0 | -4.1 | +12.6 | +0.7 |
| | 3 | +0.2 | +5.0 | -1.0 | -25.4 | -5.6 | -3.8 | -11.1 | -0.7 | -2.5 | +5.1 |
| | 4 | -0.8 | +3.0 | +1.9 | -27.4 | -1.4 | +1.4 | -10.0 | -2.2 | -16.6 | +5.6 |
| 1986 | 1 | -2.6 | -5.3 | +25.0 | -10.8 | +4.5 | +2.5 | +10.3 | +5.2 | -29.6 | -4.0 |
| | 2 | +2.8 | +3.1 | +11.8 | -10.5 | +10.2 | +13.0 | +1.0 | -2.8 | -3.2 | +6.2 |
| | 3 | +2.0 | +3.4 | +1.4 | -7.9 | +16.2 | +22.8 | -5.0 | +0.3 | -6.5 | -1.2 |
| | 4 | +0.4 | +0.2 | +3.4 | -1.8 | +10.8 | +14.2 | -0.6 | -0.7 | +2.9 | -4.1 |

1 For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
2 Including purchases less sales of land and existing buildings.
3 Including transfer costs of land and buildings.

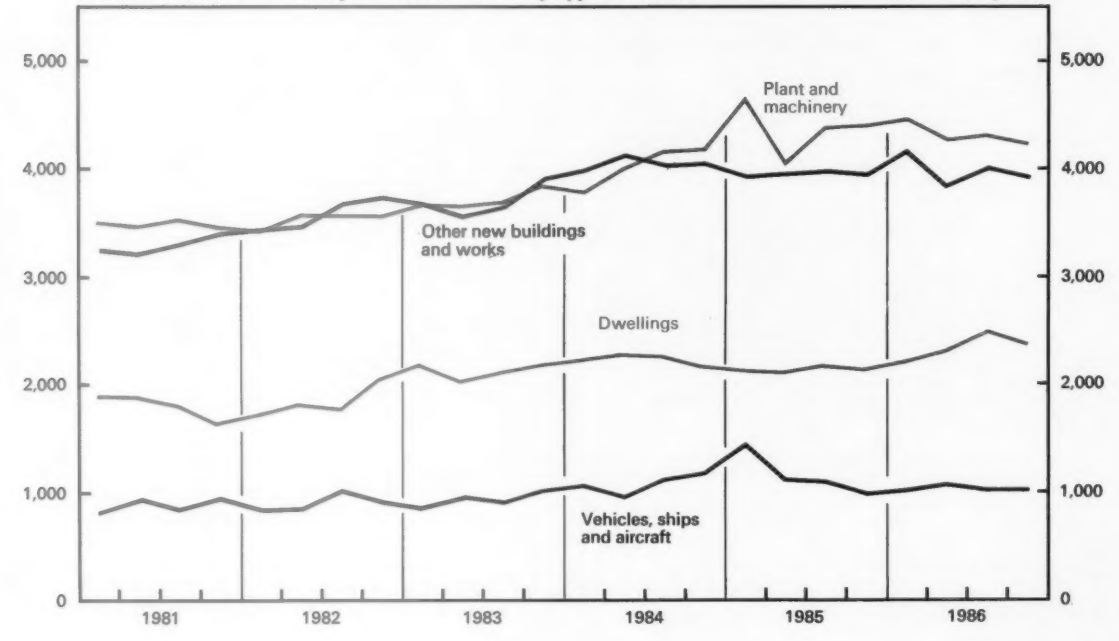
**Gross domestic fixed capital formation—by sector**

£ million 1980 prices seasonally adjusted




**Gross domestic fixed capital formation—by type of asset**

£ million 1980 prices seasonally adjusted



## Indicators of fixed investment by manufacturing industry (revised definition)

| | | Gross fixed investment by manufacturing industry (excluding leased assets) | | | | | | | New orders received by contractors for private industrial work(GB) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Plant and machinery | | | New building and works | | | |
| | | Total* | Gross fixed investment | | CBI Intentions Inquiry | Gross fixed investment | | CBI Intentions Inquiry | |
| | | £ million, 1980 prices, seasonally adjusted | £ million, 1980 prices, seasonally adjusted | Percentage change on year earlier | Balance(1) | £ million, 1980 prices, seasonally adjusted | Percentage change on year earlier | Balance(1) | £ million, 1980 prices, seasonally adjusted |
| | | DECV | FBAJ | FBAK | FBAD | FBAL | FBAM | FBAG | DPBT |
| 1977 | | 6 774 | 4 992 | +3 | .. | 1 138 | +8 | .. | 2 144 |
| 1978 | | 7 219 | 5 319 | +7 | .. | 1 278 | +12 | .. | 2 241 |
| 1979 | | 7 496 | 5 554 | +4 | .. | 1 305 | +2 | .. | 2 241 |
| 1980 | | 6 479 | 4 959 | -11 | .. | 1 053 | -19 | .. | 1 803 |
| 1981 | | 4 865 | 3 719 | -25 | .. | 769 | -27 | .. | 1 811 |
| 1982 | | 4 704 | 3 646 | -2 | .. | 657 | -15 | .. | 1 364 |
| 1983 | | 4 779 | 3 771 | +3 | .. | 585 | -11 | .. | 1 602 |
| 1984 | | 5 755 | 4 439 | +18 | .. | 878 | +50 | .. | 2 227 |
| 1985 | | 5 850 | 4 524 | +2 | .. | 926 | +5 | .. | 2 007 |
| 1986 | | 5 840 | 4 508† | -† | .. | 940† | +2† | .. | 1 845 |
| 1981 | 3 | 1 184† | 924 | -25 | -23 | 167 | -37 | -35 | 483 |
| | 4 | 1 169 | 886 | -18 | -13 | 177 | -27 | -33 | 403 |
| 1982 | 1 | 1 164 | 893 | -9 | -5 | 174 | -24 | -25 | 356 |
| | 2 | 1 173 | 912 | -2 | -2 | 159 | -19 | -25 | 335 |
| | 3 | 1 186 | 920 | - | -11 | 162 | -3 | -26 | 353 |
| | 4 | 1 181 | 920 | +4 | -20 | 163 | -8 | -33 | 321 |
| 1983 | 1 | 1 117 | 890 | - | -5 | 134 | -23 | -26 | 422 |
| | 2 | 1 165 | 923 | +1 | 6 | 138 | -13 | -15 | 376 |
| | 3 | 1 207 | 942 | +2 | 18 | 156 | -4 | -5 | 438 |
| | 4 | 1 290 | 1 015 | +10 | 12 | 156 | -4 | -8 | 365 |
| 1984 | 1 | 1 385 | 1 067 | +20 | 20 | 195 | +46 | -5 | 543 |
| | 2 | 1 421 | 1 096 | +19 | 21 | 214 | +55 | -3 | 543 |
| | 3 | 1 447 | 1 124 | +19 | 14 | 223 | +43 | -5 | 526 |
| | 4 | 1 502 | 1 153 | +14 | 18 | 247† | +58 | -5 | 615 |
| 1985 | 1 | 1 498 | 1 146 | +7 | 11 | 247 | +27 | -8 | 544 |
| | 2 | 1 424 | 1 096 | - | 14 | 231 | +8 | -3 | 641 |
| | 3 | 1 447 | 1 124 | - | - | 224 | - | -21 | 425 |
| | 4 | 1 481 | 1 158 | - | 4 | 225 | -8 | -21 | 397 |
| 1986 | 1 | 1 483 | 1 153 | +1 | 2 | 233 | -6 | -16 | 478 |
| | 2 | 1 455 | 1 141 | +4 | 10 | 216 | -6 | -15 | 450 |
| | 3 | 1 461 | 1 112 | -1 | 5 | 240 | +7 | -15 | 494 |
| | 4 | 1 441 | 1 102† | -5† | 8 | 251 | +12† | -13 | 423 |
| 1987 | 1 | 1 496 | 1 150 | -1 | 10 | 249 | +7 | -10 | 644 |

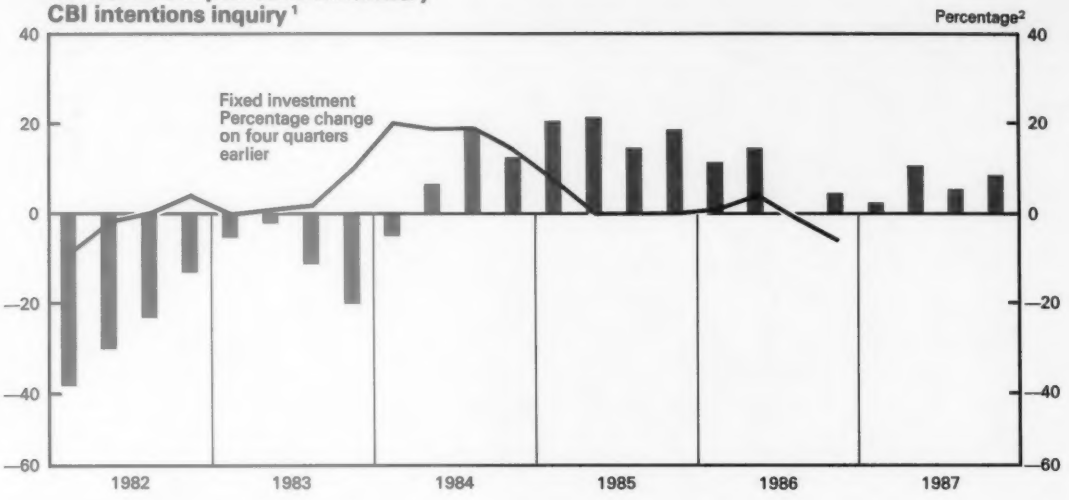
1 Percentage of firms expecting to authorise more in next 12 months less percentage expecting to authorise less.

## Department of Trade and Industry inquiry into investment intentions: manufacturing industry (2)

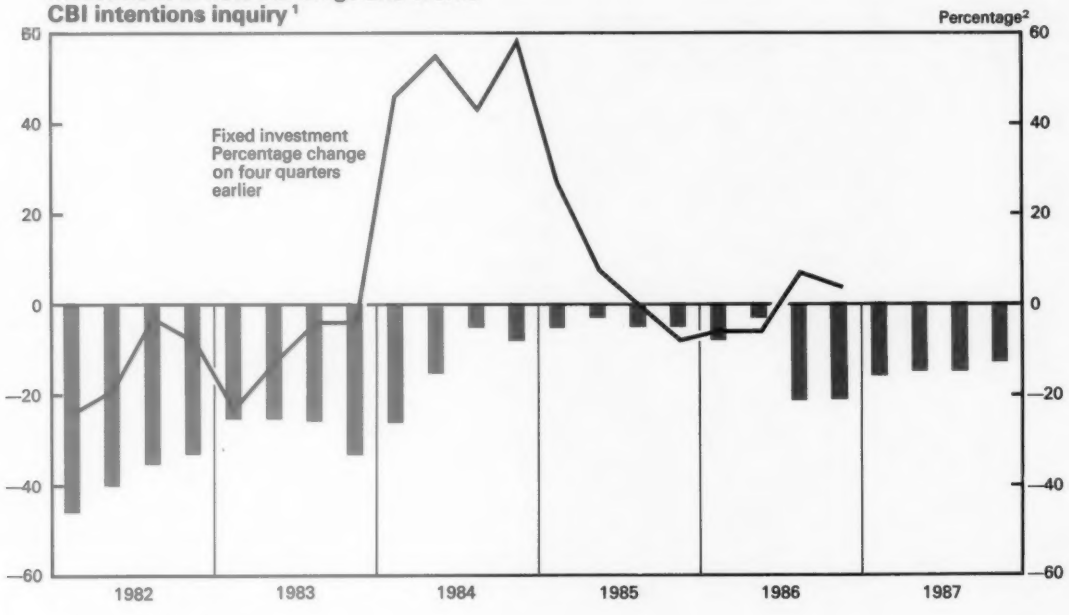
| | Percentage change over previous year, in volume terms • Gross fixed investment (excluding leased assets) | | | | |
|---|---|---|---|---|---|
| | First December Forecast | First June Forecast | Second December Forecast | Second June Forecast | Actual |
| 1975 | Little change | Little change | -7 to -10 | Of order of -15 | -7 |
| 1976 | Further reduction | Little change | -5 to -8 | About -6 | -5 |
| 1977 | Large increase | Of order of +15 | +10 to +15 | +6 to +10 | +5 |
| 1978 | Strong increase | +20 or more | +10 to +13 | +10 to +13 | +7 |
| 1979 | Rise, less than +8 | Rise less than +8 | +4 to +8 | +2 to +5 | +4 |
| 1980 | Slight fall | Slight fall | -6 to -10 | -8 to -12 | -14 |
| 1981 | Further fall | Fall of up to 8 to 12 | -15 to -20 | -15 to -18 | -25 |
| 1982 | Some recovery | Some recovery | -1 to -3 | -3 to -5 | -3 |
| 1983 | Appreciable increase | Rise, around 5 | Fall, up to 5 | Fall, around 4 | +2 |
| 1984 | No recovery | Slow growth | Rise, around 10 | About +12 | +20 |
| 1985 | Little change | Rise, around 6 | About +7 | Around +9 | +2 |
| 1986 | Slight fall | Slight fall | Rise, around 4 | About +6 | - |
| 1987 | Little change | Small increase | Rise, around 3 | | |
| 1988 | Further rise | | | | |

2 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

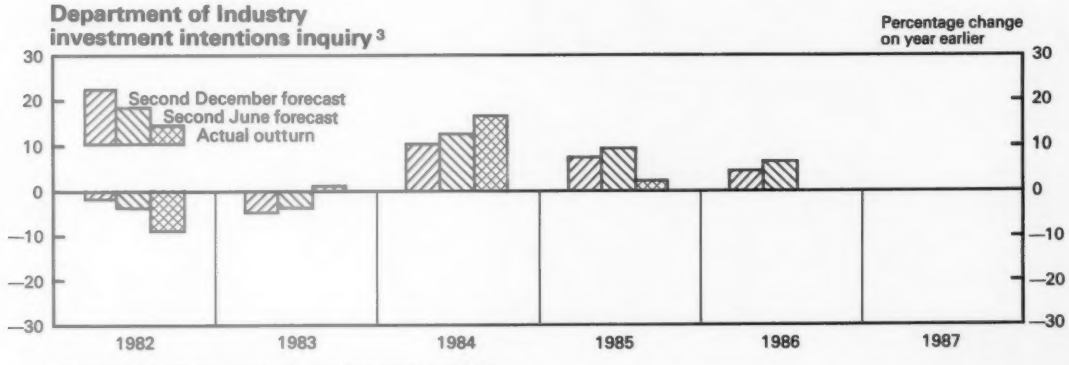
**Investment in plant and machinery**
**CBI intentions inquiry [1]**




**Investment in new buildings and works**
**CBI intentions inquiry [1]**




**Department of Industry**
**investment intentions inquiry [3]**




[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

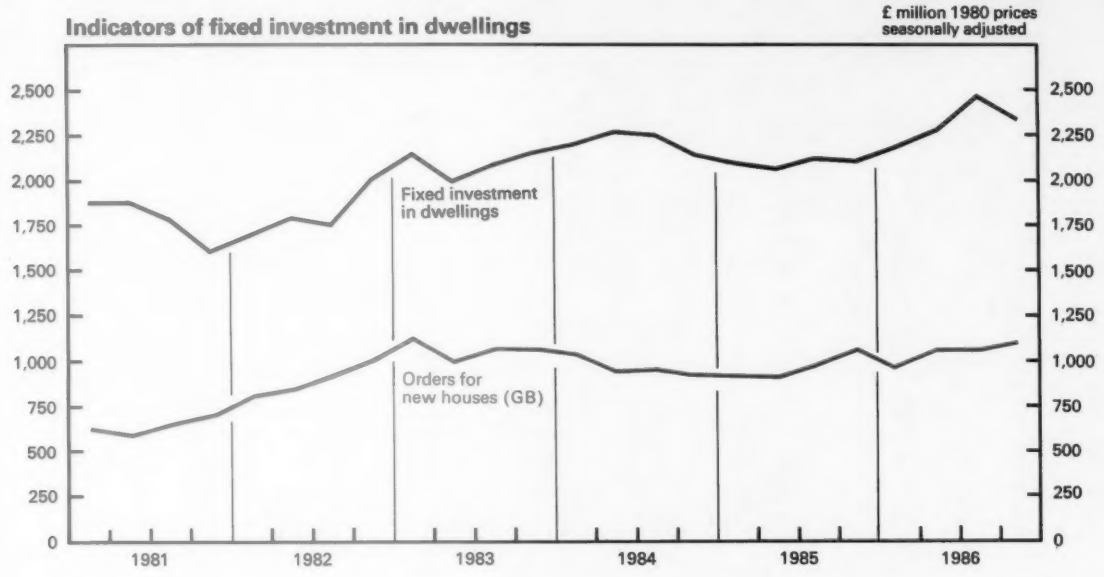
[3] See footnote[2] on page 18

## Indicators of fixed investment in dwellings

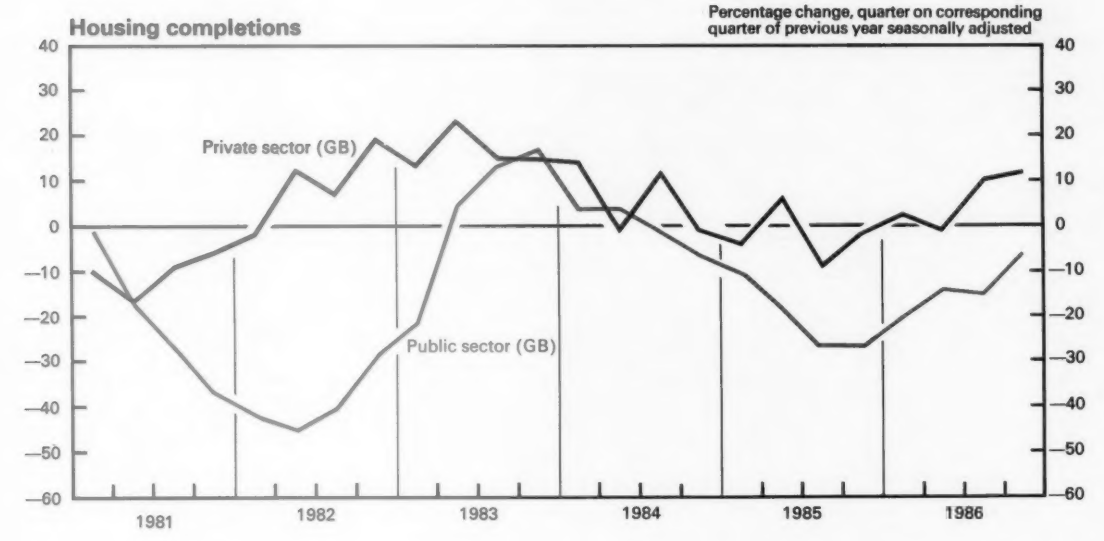
| | | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|---|
| | | £ million, 1980 prices | | Thousands | | | | £ million | | 1980 = 100 |
| | | | | Housing starts (GB) | | Housing completions (GB) | | Building societies | | |
| | | Fixed investment in dwellings | Orders received by contractors for new houses (GB) | Private sector | Public sector | Private sector | Public sector | Commitments on new dwellings | Advances on new dwellings | Average price of new dwellings: mortgages approved(1) |
| | | DFEG | FCAS | FCAT | FCAU | FCAV | FCAW | AHLO | AHLS | FCAZ |
| 1978 | | 9 048 | 4 733 | 157.3 | 107.4 | 149.0 | 130.7 | 127 | 125 | 65 |
| 1979 | | 9 361 | 4 001 | 144.0 | 81.2 | 140.5 | 104.0 | 125 | 127 | 84 |
| 1980 | | 8 675 | 2 702 | 98.9 | 56.4 | 127.5 | 106.9 | 120 | 117 | 100 |
| 1981 | | 7 174 | 2 559 | 116.7 | 37.2 | 114.2 | 84.7 | 119 | 121 | 102 |
| 1982 | | 7 284 | 3 548 | 140.5 | 52.8 | 123.9 | 50.1 | 161 | 143 | 104 |
| 1983 | | 8 417 | 4 231 | 169.8 | 47.6 | 144.3 | 50.5 | 202 | 184 | 116 |
| 1984 | | 8 867 | 3 826 | 153.7 | 40.2 | 153.3 | 50.1 | 248 | 242 | 125 |
| 1985 | | 8 409 | 3 856 | 161.8 | 33.6 | 149.6 | 39.1 | 247 | 242 | 136 |
| 1986 | | 9 288 | 4 110† | 172.1 | 31.4 | 158.4 | 33.1 | 300 | 291 | 160 |
| 1981 | 4 | 1 811 | 699 | 27.0 | 11.3 | 27.7 | 16.0 | 108 | 112 | 98 |
| 1982 | 1 | 1 704 | 796 | 36.0 | 13.4 | 29.9 | 15.4 | 125 | 116 | 99 |
| | 2 | 1 795 | 839 | 33.6 | 12.7 | 30.0 | 12.0 | 157 | 136 | 104 |
| | 3 | 1 766 | 916 | 35.2 | 12.6 | 30.9 | 11.3 | 164 | 146 | 104 |
| | 4 | 2 019 | 999 | 35.7 | 14.1 | 33.1 | 11.4 | 198 | 175 | 108 |
| 1983 | 1 | 2 157 | 1 114 | 45.5 | 14.9 | 33.8 | 12.0 | 197 | 187 | 112 |
| | 2 | 2 002 | 994 | 41.7 | 11.7 | 37.0 | 12.5 | 188 | 187 | 116 |
| | 3 | 2 094 | 1 062 | 40.6 | 9.7 | 35.5 | 12.9 | 199 | 196 | 118 |
| | 4 | 2 164 | 1 064 | 42.0 | 11.3 | 38.0 | 13.1 | 222 | 206 | 117 |
| 1984 | 1 | 2 203 | 1 032 | 40.4 | 12.1 | 38.7 | 12.3 | 244 | 229 | 121 |
| | 2 | 2 267 | 935 | 38.6 | 10.1 | 36.5 | 12.9 | 272 | 242 | 125 |
| | 3 | 2 251 | 950 | 38.1 | 9.7 | 39.6 | 12.7 | 239 | 253 | 127 |
| | 4 | 2 146 | 909 | 36.6 | 8.3 | 38.5 | 12.2 | 238 | 242 | 125 |
| 1985 | 1 | 2 100 | 911 | 36.9 | 8.2 | 37.1 | 10.8 | 238 | 237 | 130 |
| | 2 | 2 070 | 909 | 40.0 | 8.4 | 38.7 | 10.4 | 229 | 239 | 134 |
| | 3 | 2 124 | 973 | 41.3 | 8.1 | 36.1 | 9.1 | 252 | 234 | 137 |
| | 4 | 2 115 | 1 063 | 43.6 | 8.9 | 37.7 | 8.8 | 269 | 257 | 144 |
| 1986 | 1 | 2 194 | 960† | 40.7 | 7.7 | 38.0 | 8.5 | 270 | 253 | 147 |
| | 2 | 2 281 | 1 044 | 42.5 | 7.5 | 38.5 | 8.8 | 335 | 280 | 159 |
| | 3 | 2 469 | 1 043 | 45.6 | 8.3 | 39.8 | 7.6 | 328 | 305 | 165 |
| | 4 | 2 344 | 1 061 | 43.3 | 7.9 | 41.7† | 8.3† | 265 | 324 | 167 |
| 1987 | 1 | | 1 183 | 49.4† | 6.7† | 43.0 | 6.8 | 277† | 224† | 173 |
| 1985 | J | .. | 313 | 13.2 | 2.8 | 12.8 | 3.2 | 228 | 227 | 134 |
| | J | .. | 325 | 13.7 | 2.5 | 11.9 | 2.9 | 233 | 237 | 133 |
| | A | .. | 308 | 13.6 | 2.9 | 11.8 | 3.1 | 252 | 226 | 139 |
| | S | .. | 340 | 14.0 | 2.7 | 12.4 | 3.1 | 271 | 240 | 140 |
| | O | .. | 361 | 15.1 | 2.9 | 12.1 | 2.9 | 270 | 257 | 143 |
| | N | .. | 378 | 14.2 | 3.1 | 12.2 | 2.8 | 286 | 255 | 144 |
| | D | .. | 324 | 14.3 | 2.9 | 13.4 | 3.1 | 250 | 259 | 146 |
| 1986 | J | .. | 359† | 14.4 | 2.6 | 11.7 | 2.8 | 268 | 257 | 146 |
| | F | .. | 286 | 11.1 | 2.4 | 12.8 | 2.8 | 283 | 256 | 146 |
| | M | .. | 315 | 15.2 | 2.7 | 13.5 | 2.9 | 259 | 247 | 150 |
| | A | .. | 348 | 12.7 | 2.8 | 12.5 | 3.2 | 330 | 276 | 156 |
| | M | .. | 334 | 14.9 | 2.2 | 12.2 | 2.4 | 331 | 274 | 158 |
| | J | .. | 362 | 14.9 | 2.5 | 13.8 | 3.2 | 344 | 290 | 163 |
| | J | .. | 359 | 15.1 | 3.0 | 12.9 | 2.2 | 343 | 306 | 164 |
| | A | .. | 346 | 15.7 | 2.5 | 13.6 | 2.8 | 332 | 300 | 165 |
| | S | .. | 338 | 14.8 | 2.8 | 13.3 | 2.6 | 309 | 309 | 165 |
| | O | .. | 358 | 14.8 | 3.0 | 13.0 | 2.5 | 281 | 333 | 166 |
| | N | .. | 367 | 15.2 | 2.4 | 14.7 | 2.5 | 237 | 301 | 167 |
| | D | .. | 336 | 13.3 | 2.5 | 14.0† | 3.3† | 277 | 337 | 169 |
| 1987 | J | .. | 422 | 13.2† | 1.9† | 12.3 | 2.0 | 284 | 178 | 170 |
| | F | .. | 404 | 17.9 | 1.9 | 14.3 | 2.4 | 272 | 214 | 173 |
| | M | .. | 337 | 18.3 | 2.9 | 16.4 | 2.4 | 276† | 278† | 176 |
| | A | .. | | | | | | | | 179† |

1 Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

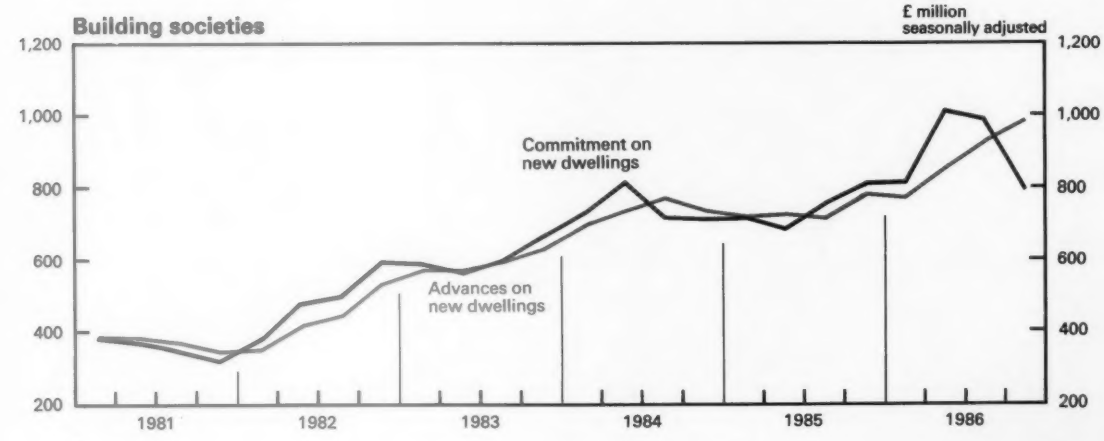
## Indicators of fixed investment in dwellings




## Housing completions




## Building societies



## Stock changes

£ million, 1980 prices, seasonally adjusted

| | | All industries | Energy and water supply | Manufacturing(1) - revised definition | | | | Distribution | | Other industries |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total | Materials and fuels | Work in progress | Finished goods | Wholesale(2) | Retail(3) | |
| Value of stocks and work in progress end - December 1985(4) | | 66 844 | 3 738 | 3 1173 | 9 682 | 11 846 | 9 845 | 9 586 | 7 622 | 14 725 |
| | | DGBA | DHBQ | DHBM | DGAX | DGAY | DGAW | DHBO | DHBN | DHBR |
| 1981 | 3 | -300 | -149 | -139 | -159 | 70 | -50 | -3 | -22 | 13 |
| | 4 | -50 | -165 | 165 | -109 | 151 | 124 | -28 | 67 | -89 |
| 1982 | 1 | 575 | 26 | -64 | -37 | -92 | 64 | 332 | 77 | 204 |
| | 2 | 184 | 107 | -19 | 27 | -20 | -26 | 20 | 89 | -13 |
| | 3 | -854 | -123 | -373 | -183 | -131 | -59 | -146 | -31 | -181 |
| | 4 | -1 032 | 22 | -657 | -292 | -229 | -136 | -211 | -166 | -20 |
| 1983 | 1 | 396 | 136 | 38 | -172 | 255 | -45 | -149 | -100 | 471 |
| | 2 | -80 | -72 | -65 | -82 | -95 | 113 | 145 | -88 | - |
| | 3 | 307 | 53 | -274 | -125 | 37 | -186 | 27 | 153 | 348 |
| | 4 | 57 | -129 | 169 | 123 | -16 | 61 | -60 | 26 | 51 |
| 1984 | 1 | 132 | -252 | 105 | -24 | 62 | 67 | 24 | 71 | 184 |
| | 2 | -380 | -238 | -59 | 5 | 54 | -119 | -73 | 107 | -97 |
| | 3 | -157 | -187 | 105 | 48 | 3 | 54 | 32 | -86 | -41 |
| | 4 | 334 | -140 | 150 | -9 | -10 | 169 | -3 | 290 | 37 |
| 1985 | 1 | 29 | -30 | -216 | -8 | -153 | -55 | -60 | 22 | 313 |
| | 2 | 393 | -97 | 215 | -42 | 27 | 230 | 74 | 1 | 200 |
| | 3 | 62 | -56 | -21 | 14 | 72 | -108 | -133 | 93 | 179 |
| | 4 | 120 | 206 | -463 | -89 | -235 | -138 | -38 | 179 | 236 |
| 1986 | 1 | 534 | -133 | -177 | 31 | -112 | -95 | 309 | 112 | 423 |
| | 2 | -141 | -78 | 68 | -23 | 13 | 78 | -185 | 165 | -111 |
| | 3 | -266 | -36 | -51 | -18 | 13 | -46 | -197 | 5 | 11 |
| | 4 | 439 | 149 | -99 | -100 | 48 | -47 | 120 | 166 | 103 |

1 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
2 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
3 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
4 Unadjusted 1980 price stock levels.

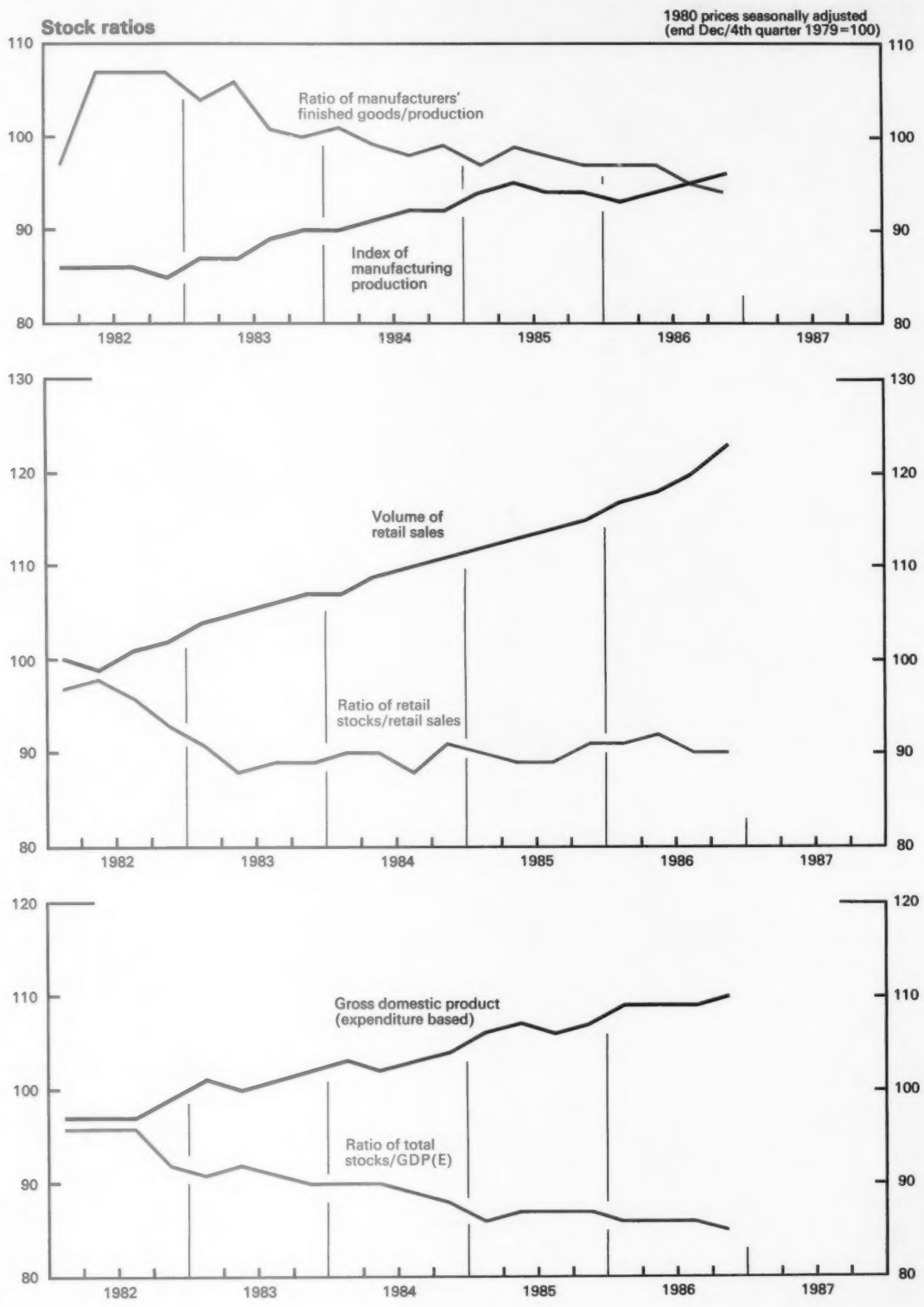
## Stock ratios

Seasonally adjusted

1980 prices: stocks level, end - Dec 1979=100; GDP(E), industrial production and retail sales, 4th quarter 1979=100

| | | Total stocks to gross domestic product (expenditure based) | Manufacturers' stocks to manufacturing production (revised definition) | | | | Retail stocks to retail sales(1) |
|---|---|---|---|---|---|---|---|
| | | | Total stocks | Materials and fuel | Work in progress | Finished goods | |
| | | FDCA | FDCB | FDCC | FDCD | FDCE | FDCF |
| 1981 | 3 | 98 | 103 | 97 | 108 | 106 | 96 |
| | 4 | 96 | 103 | 95 | 109 | 107 | 98 |
| 1982 | 1 | 96 | 104 | 95 | 108 | 108 | 97 |
| | 2 | 96 | 103 | 95 | 108 | 107 | 98 |
| | 3 | 96 | 103 | 94 | 108 | 107 | 96 |
| | 4 | 92 | 102 | 92 | 107 | 107 | 93 |
| 1983 | 1 | 91 | 99 | 89 | 106 | 104 | 91 |
| | 2 | 92 | 100 | 88 | 106 | 106 | 88 |
| | 3 | 91 | 97 | 85 | 104 | 101 | 89 |
| | 4 | 90 | 96 | 85 | 102 | 100 | 89 |
| 1984 | 1 | 90 | 95 | 84 | 102 | 101 | 90 |
| | 2 | 90 | 95 | 84 | 102 | 99 | 90 |
| | 3 | 89 | 94 | 83 | 101 | 98 | 88 |
| | 4 | 88 | 94 | 83 | 100 | 99 | 91 |
| 1985 | 1 | 86 | 92 | 82 | 98 | 97 | 90 |
| | 2 | 87 | 92 | 80 | 97 | 99 | 89 |
| | 3 | 87 | 92 | 81 | 98 | 98 | 89 |
| | 4 | 87 | 91 | 81 | 96 | 97 | 91 |
| 1986 | 1 | 86 | 91 | 82 | 96 | 97 | 91 |
| | 2 | 86 | 91 | 81 | 95 | 97 | 92 |
| | 3 | 86 | 90 | 80 | 95 | 95 | 90 |
| | 4 | 85 | 88 | 78 | 94 | 94 | 90 |

1 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.


Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979=100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
110
100
90
80
130
120
1982
1983
1984
1985
1986
1987

## Inland energy consumption

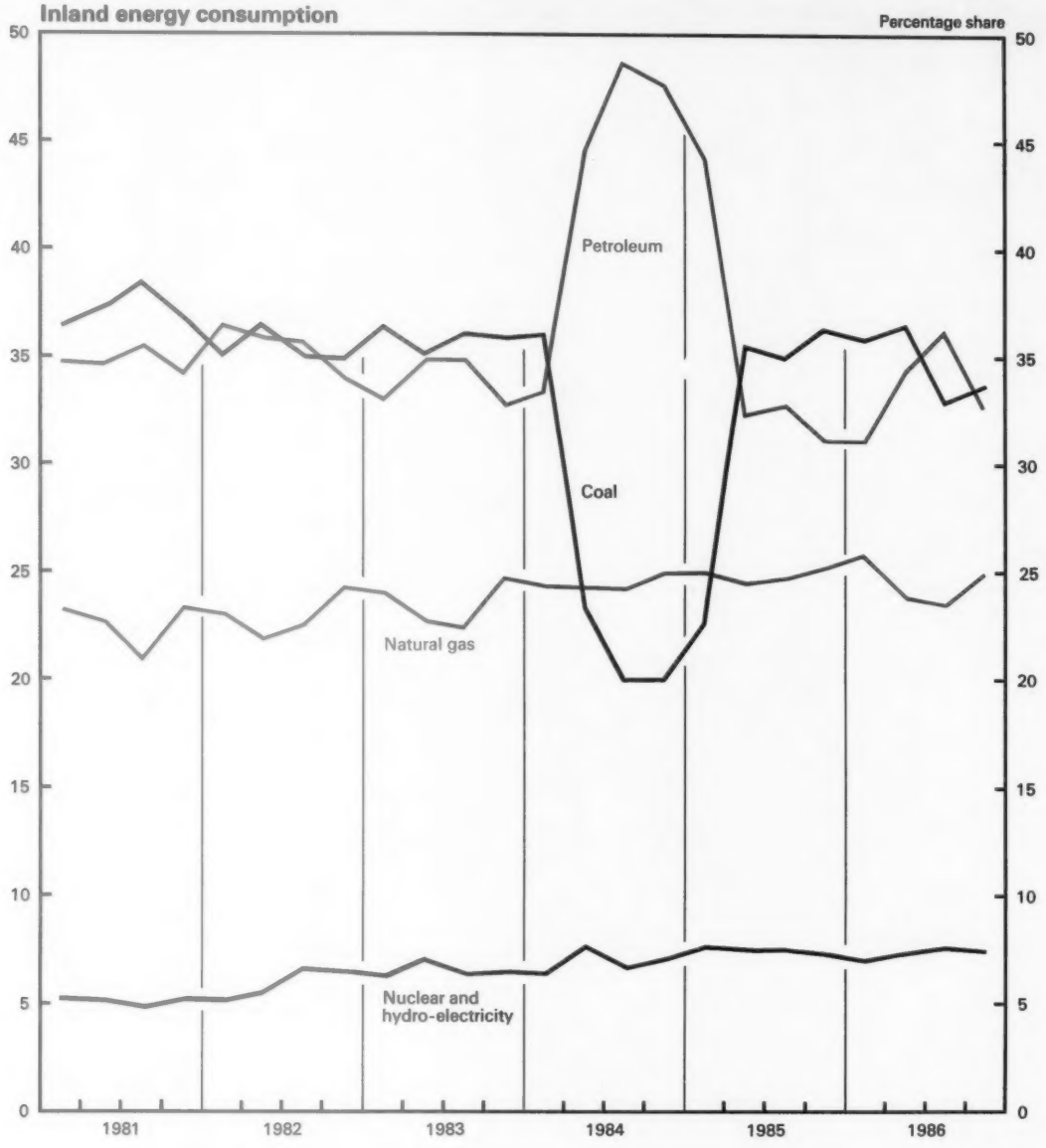
Annual rates, seasonally adjusted and temperature corrected

| | | Primary fuel input | | | | | | | Public supply |
|---|---|---|---|---|---|---|---|---|---|
| | | Million tonnes of coal or coal equivalent | | | | | | | Thousand million kilowatt hours |
| | | | | | | Primary electricity(5) | | | |
| | | Total | Coal(1,2) | Petroleum(3) | Natural gas(4) | Nuclear | Hydro(6) | Net imports | Electricity available-GB(7) |
| | | FDAH | FDAI | FDAJ | FDAK | FDAL | FDAM | FDAN | FDAN |
| 1976 | | 331.5 | 123.0 | 134.2 | 59.5 | 12.9 | 1.9 | - | 236.7 |
| 1977 | | 338.2 | 122.4 | 136.8 | 62.7 | 14.3 | 2.0 | - | 240.2 |
| 1978 | | 339.1 | 119.4 | 139.2 | 65.0 | 13.4 | 2.1 | - | 246.3 |
| 1979 | | 349.3 | 127.2 | 137.0 | 69.1 | 13.8 | 2.2 | - | 255.0 |
| 1980 | | 327.2 | 120.1 | 121.2 | 70.5 | 13.4 | 2.0 | - | 245.9 |
| 1981 | | 315.3 | 117.5 | 110.2 | 71.6 | 13.7 | 2.3 | - | 239.2 |
| 1982 | | 311.7 | 109.6 | 110.8 | 72.9 | 16.0 | 2.4 | - | 236.2 |
| 1983 | | 313.6 | 111.6 | 105.9 | 75.6 | 18.1 | 2.4 | - | 242.3 |
| 1984 | | 312.1 | 78.5 | 134.7 | 77.3 | 19.5 | 2.1 | - | 246.0 |
| 1985 | | 323.4 | 104.7 | 113.8 | 80.6 | 22.2 | 2.2 | - | 255.8 |
| 1986 | | 327.3 | 110.8 | 111.0 | 79.9 | 21.5 | 2.4 | 1.7 | 261.3 |
| 1981 | 3 | 319.2 | 123.0 | 113.5 | 67.5 | 13.4 | 1.8 | - | 242.0 |
| | 4 | 312.9 | 115.6 | 107.4 | 73.6 | 13.8 | 2.5 | - | 240.3 |
| 1982 | 1 | 312.3 | 109.4 | 114.4 | 72.6 | 13.5 | 2.4 | - | 238.3 |
| | 2 | 305.3 | 111.4 | 110.0 | 67.2 | 14.2 | 2.5 | - | 235.4 |
| | 3 | 317.7 | 111.3 | 113.7 | 71.8 | 18.8 | 2.1 | - | 243.5 |
| | 4 | 307.3 | 107.4 | 105.0 | 74.9 | 17.4 | 2.6 | - | 236.3 |
| 1983 | 1 | 311.0 | 113.1 | 103.0 | 75.3 | 16.8 | 2.8 | - | 236.4 |
| | 2 | 310.6 | 109.0 | 108.4 | 71.1 | 19.4 | 2.7 | - | 241.7 |
| | 3 | 322.1 | 116.3 | 112.6 | 72.6 | 18.9 | 1.7 | - | 248.4 |
| | 4 | 309.4 | 110.9 | 101.7 | 76.8 | 17.8 | 2.2 | - | 242.8 |
| 1984 | 1 | 312.3 | 112.8 | 103.1 | 76.6 | 17.5 | 2.4 | - | 242.3 |
| | 2 | 308.6 | 71.9 | 136.5 | 74.7 | 21.6 | 2.0 | - | 244.3 |
| | 3 | 312.4 | 62.6 | 152.8 | 76.0 | 19.5 | 1.4 | - | 250.3 |
| | 4 | 313.1 | 62.6 | 149.9 | 78.5 | 20.1 | 2.0 | - | 247.2 |
| 1985 | 1 | 319.1 | 72.5 | 141.8 | 80.2 | 22.6 | 2.1 | - | 249.8 |
| | 2 | 329.0 | 116.9 | 106.6 | 80.9 | 22.7 | 2.0 | - | 258.4 |
| | 3 | 328.4 | 114.7 | 107.8 | 81.2 | 22.6 | 2.1 | - | 260.2 |
| | 4 | 317.4 | 115.0 | 99.1 | 80.2 | 21.0 | 2.2 | - | 254.9 |
| 1986 | 1 | 324.5 | 116.2 | 101.3 | 84.2 | 20.4 | 2.2 | 0.2 | 258.3 |
| | 2 | 332.3† | 111.0† | 118.3 | 77.6 | 21.6 | 2.2 | 1.6 | 265.3 |
| | 3 | 327.1 | 106.7 | 117.8 | 76.6 | 22.4 | 2.4 | 1.3 | 260.4 |
| | 4 | 324.8 | 109.4 | 106.5 | 81.0 | 21.6 | 2.3 | 3.9 | 261.0 |

Percentage change, quarter on corresponding quarter of previous year

| | | FDAO | FDAP | FDAQ | FDAR | FDAS | FDAT | FDAX | FDAU |
|---|---|---|---|---|---|---|---|---|---|
| 1981 | 3 | -1.4 | +3.1 | -7.8 | +2.1 | +7.6 | -33.3 | - | -2.8 |
| | 4 | -2.6 | -1.7 | -6.9 | +2.6 | -2.8 | +8.7 | - | -1.6 |
| 1982 | 1 | -1.7 | -5.6 | +2.9 | -2.3 | +0.4 | -20.0 | - | +1.1 |
| | 2 | -2.0 | -0.4 | +1.3 | -5.4 | +0.4 | +30.4 | - | -1.5 |
| | 3 | -0.5 | -9.5 | +0.1 | +6.7 | +40.2 | +14.7 | - | +0.6 |
| | 4 | -1.8 | -7.1 | -2.2 | +1.7 | +25.5 | +4.6 | - | -1.7 |
| 1983 | 1 | -1.4 | +0.5 | -10.0 | +3.7 | +23.9 | +18.5 | - | -0.8 |
| | 2 | +1.6 | -2.5 | -1.5 | +5.8 | +36.7 | +8.8 | - | +2.7 |
| | 3 | +0.9 | +3.1 | -1.0 | +1.1 | +0.5 | -19.7 | - | +2.0 |
| | 4 | +1.0 | +4.3 | -3.1 | +2.5 | +2.3 | -14.0 | - | +2.8 |
| 1984 | 1 | +0.4 | -0.2 | - | +1.7 | +4.3 | -15.8 | - | +2.5 |
| | 2 | -1.3 | -34.0 | +25.9 | +5.0 | +10.9 | -25.8 | - | +1.1 |
| | 3 | -3.0 | -46.1 | +35.8 | +4.7 | +2.8 | -15.6 | - | +0.8 |
| | 4 | +1.2 | -43.5 | +47.5 | +2.2 | +12.6 | -9.6 | - | -1.2 |
| 1985 | 1 | +2.2 | -35.8 | +37.6 | +4.7 | +29.5 | +11.9 | - | +3.1 |
| | 2 | +7.3 | +62.6 | -21.9 | +8.3 | +5.1 | -15.8 | - | +5.8 |
| | 3 | +5.1 | +83.2 | -29.4 | +7.4 | +16.0 | -7.0 | - | +4.0 |
| | 4 | +1.3 | +83.6 | -33.9 | +2.0 | +4.6 | +5.8 | - | +3.1 |
| 1986 | 1 | +1.7 | +80.3 | -28.5 | +5.0 | -9.7 | +6.8 | + | +3.4 |
| | 2 | +1.0 | -5.1 | +11.0 | -4.0 | -4.8 | +14.2 | + | +2.6 |
| | 3 | -0.4 | -7.0 | +9.2 | -5.6 | -0.8 | +14.6 | + | +0.1 |
| | 4 | +2.3 | -4.9 | +7.5 | +1.1 | +1.8 | +5.8 | + | +2.4 |

1 Consumption by fuel producers plus colliery disposals to final users plus net foreign trade and stock change in other solid fuels.
2 Coal data for 1983 have been adjusted, for the purposes of comparison with 1984, to take account of calendar differences between 1983 and 1984.
3 Inland deliveries for energy use plus refinery fuel and losses minus the difference between deliveries and actual consumption at power stations and gas works.
4 Excluding gas flared or re-injected.
5 Data for primary electricity are not temperature corrected, and hydro electricity and net imports are not seasonally adjusted.
6 Hydro electricity quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year,not the data shown in the table.
7 The inclusion of Northern Ireland would add about 2 per cent to the total.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1981
1982
1983
1984
1985
1986

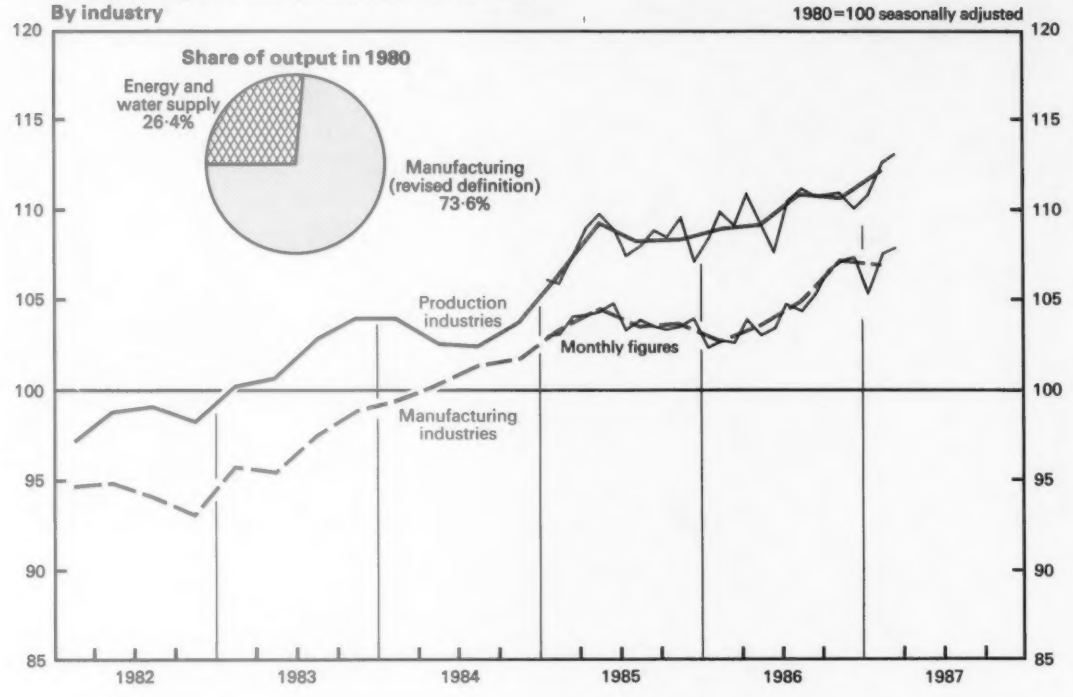
## Index of output of the production and construction industries

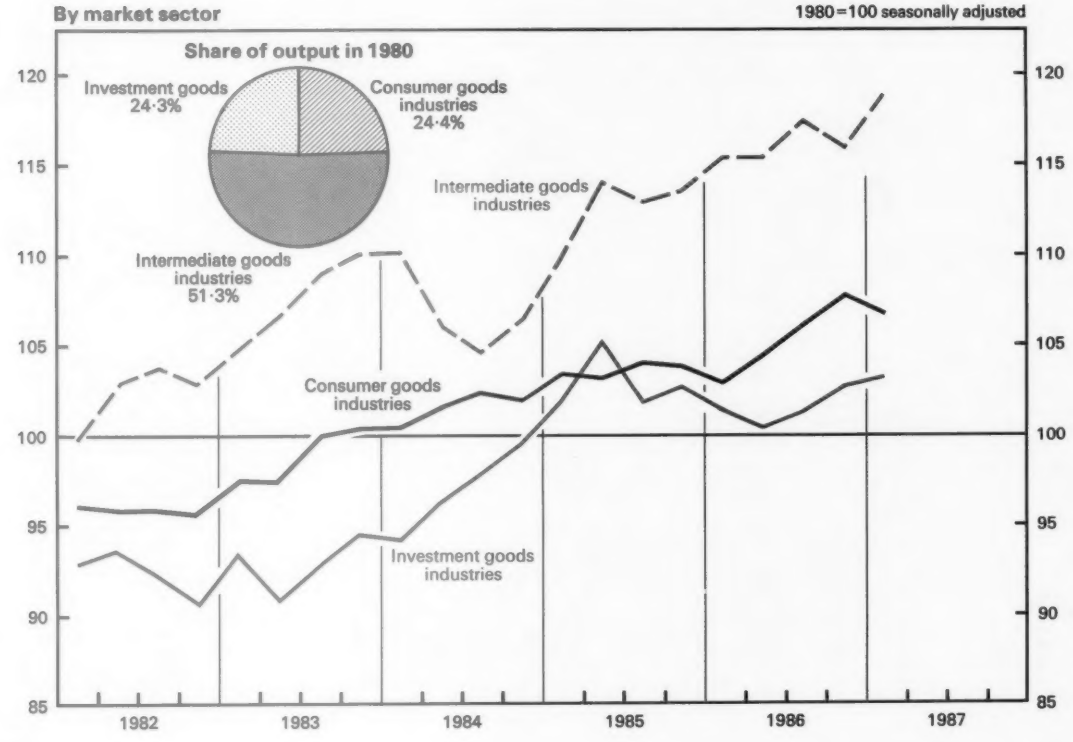
1980 = 100, seasonally adjusted

| | | Total production industries | Energy and water supply | Total Manufacturing industries(1) | Construction | Total production and construction | Consumer goods industries | Investment goods industries | Intermediate goods industries |
|---|---|---|---|---|---|---|---|---|---|
| 1980 weights | | 1 000 | 264 | 736 | 63(2) | 424 | 245 | 243 | 512 |
| PPT of GDP(0) | | 361 | 95 | 266 | | | 88 | 88 | 185 |
| | | DVIM | DVIN | DVIS | DVJO | DVJN | DVJP | DVJV | DVJZ |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 96.6 | 103.8 | 94.0 | 89.9 | 95.6 | 96.4 | 91.3 | 99.2 |
| 1982 | | 98.4 | 110.0 | 94.2 | 91.6 | 97.4 | 95.8 | 92.4 | 102.3 |
| 1983 | | 101.9 | 115.9 | 96.9 | 95.3 | 100.9 | 98.8 | 92.9 | 107.6 |
| 1984 | | 103.2 | 110.1 | 100.7 | 98.6 | 102.5 | 101.6 | 97.1 | 106.8 |
| 1985 | | 108.1 | 120.1 | 103.7† | 99.8 | 106.8 | 103.6 | 103.0† | 112.6 |
| 1986 | | 110.0 | 125.2 | 104.5 | 102.0 | 108.7† | 105.4† | 101.5 | 116.0† |
| 1981 | 3 | 97.3 | 103.8 | 95.0 | 90.9 | 96.3 | 97.4 | 91.9 | 99.6 |
| | 4 | 98.3 | 106.5 | 95.3 | 86.9 | 96.6 | 96.7 | 92.9 | 101.7 |
| 1982 | 1 | 97.2 | 104.1 | 94.7 | 89.1 | 96.0 | 96.1 | 92.9 | 99.8 |
| | 2 | 98.9 | 110.0 | 94.9 | 90.6 | 97.7 | 95.8 | 93.7 | 102.9 |
| | 3 | 99.2 | 113.3 | 94.1 | 92.6 | 98.2 | 95.9 | 92.3 | 103.8 |
| | 4 | 98.2 | 112.5 | 93.1 | 94.3 | 97.6 | 95.6 | 90.7 | 102.8 |
| 1983 | 1 | 100.3 | 112.8 | 95.8 | 93.7 | 99.3 | 97.6 | 93.5 | 104.8 |
| | 2 | 100.6 | 115.0 | 95.4 | 92.1 | 99.3 | 97.4 | 90.8 | 106.7 |
| | 3 | 102.8 | 117.6 | 97.5 | 97.7 | 102.0 | 100.0 | 92.8 | 109.0 |
| | 4 | 104.0 | 118.0 | 98.9 | 97.8 | 103.1 | 100.4 | 94.5 | 110.1 |
| 1984 | 1 | 104.0 | 116.8 | 99.4 | 97.0 | 103.0 | 100.5 | 94.3 | 110.2 |
| | 2 | 102.6 | 109.1 | 100.3 | 98.1 | 101.9 | 101.7 | 96.4 | 106.1 |
| | 3 | 102.4 | 105.3 | 101.4 | 100.5 | 102.1 | 102.4 | 97.9 | 104.6 |
| | 4 | 103.7 | 109.4 | 101.7 | 98.7 | 103.0 | 102.0 | 99.6 | 106.4 |
| 1985 | 1 | 106.4 | 115.0 | 103.3 | 99.5 | 105.4 | 103.4 | 102.1 | 109.8 |
| | 2 | 109.3 | 122.6 | 104.5 | 100.0 | 107.9 | 103.2 | 105.3 | 114.1 |
| | 3 | 108.1† | 120.9 | 103.5† | 99.1 | 106.8 | 104.1 | 101.9† | 113.0 |
| | 4 | 108.4 | 121.8 | 103.6 | 100.8 | 107.3 | 103.9† | 102.7 | 113.5† |
| 1986 | 1 | 109.1 | 127.3† | 102.6 | 98.2 | 107.5 | 103.0 | 101.4 | 115.4 |
| | 2 | 109.2 | 125.3 | 103.5 | 102. | 108.1† | 104.5 | 100.5 | 115.4 |
| | 3 | 110.8 | 127.6 | 104.8 | 103.✓ | 108.7 | 106.3 | 101.3 | 117.4 |
| | 4 | 110.7 | 120.8 | 107.1 | 104.2 | 109.7 | 107.8 | 102.7 | 115.8 |
| 1987 | 1 | 112.2 | 126.8 | 106.9 | .. | .. | 108.8 | 103.2 | 118.8 |
| 1984 | O | 103.6 | 110.4 | 101.2 | .. | .. | 102.2 | 98.9 | 106.5 |
| | N | 103.3 | 108.7 | 101.4 | .. | .. | 101.6 | 99.3 | 106.0 |
| | D | 104.2 | 109.1 | 102.4 | .. | .. | 102.2 | 100.6 | 108.8 |
| 1985 | J | 106.1 | 115.0 | 102.9 | .. | .. | 103.1 | 101.6 | 109.6 |
| | F | 105.8 | 113.4 | 103.1 | .. | .. | 103.1 | 101.6 | 108.9 |
| | M | 107.4 | 116.7 | 104.0 | .. | .. | 104.0 | 103.1 | 110.8 |
| | A | 109.0 | 122.2 | 104.2 | .. | .. | 102.8 | 104.9 | 113.9 |
| | M | 109.8 | 124.8 | 104.4 | .. | .. | 102.9 | 105.7 | 115.1 |
| | J | 109.0 | 120.8 | 104.8 | .. | .. | 104.0 | 105.4 | 113.3 |
| | J | 107.5† | 119.3 | 103.3† | .. | .. | 103.6 | 101.8† | 112.1 |
| | A | 108.1 | 120.0 | 103.8 | .. | .. | 104.4 | 101.8 | 112.8 |
| | S | 108.8 | 123.5 | 103.5 | .. | .. | 104.3 | 102.2 | 114.1 |
| | O | 108.6 | 123.0 | 103.4 | .. | .. | 102.8 | 103.2 | 113.9 |
| | N | 109.5 | 126.3 | 103.5 | .. | .. | 104.4† | 101.6 | 115.9 |
| | D | 107.2 | 116.2 | 104.0 | .. | .. | 104.4 | 103.3 | 110.6† |
| 1986 | J | 108.3 | 124.6 | 102.4 | .. | .. | 102.1 | 101.4 | 114.2 |
| | F | 109.9 | 129.8† | 102.7 | .. | .. | 103.7 | 101.3 | 116.7 |
| | M | 109.2 | 127.4 | 102.8 | .. | .. | 103.3 | 101.8 | 115.3 |
| | A | 110.8 | 130.1 | 103.9 | .. | .. | 104.9 | 101.1 | 118.1 |
| | M | 108.2 | 126.1 | 103.1 | .. | .. | 104.1 | 100.4 | 115.6 |
| | J | 107.7 | 119.8 | 103.4 | .. | .. | 104.6 | 100.1 | 112.8 |
| | J | 110.5 | 126.3 | 104.8 | .. | .. | 105.9 | 101.5 | 116.7 |
| | A | 111.2 | 130.3 | 104.4 | .. | .. | 106.5 | 100.4 | 118.6 |
| | S | 110.8 | 126.1 | 105.3 | .. | .. | 106.4 | 102.1 | 116.8 |
| | O | 110.9 | 122.7 | 106.6 | .. | .. | 106.8 | 102.7 | 116.6 |
| | N | 111.0 | 121.7 | 107.2 | .. | .. | 109.0 | 102.4 | 116.1 |
| | D | 110.2 | 118.0 | 107.4 | .. | .. | 107.6 | 102.9 | 114.8 |
| 1987 | J | 110.9 | 126.4 | 105.3 | .. | .. | 105.8 | 102.5 | 117.1 |
| | F | 112.6 | 126.7 | 107.6 | .. | .. | 107.1 | 103.1 | 119.6 |
| | M | 113.1 | 127.4 | 107.9 | .. | .. | 107.5 | 104.1 | 119.8 |

1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1987 edition.
1 For an index of construction output for Great Britain, see page 30.

## Index of output of the production industries

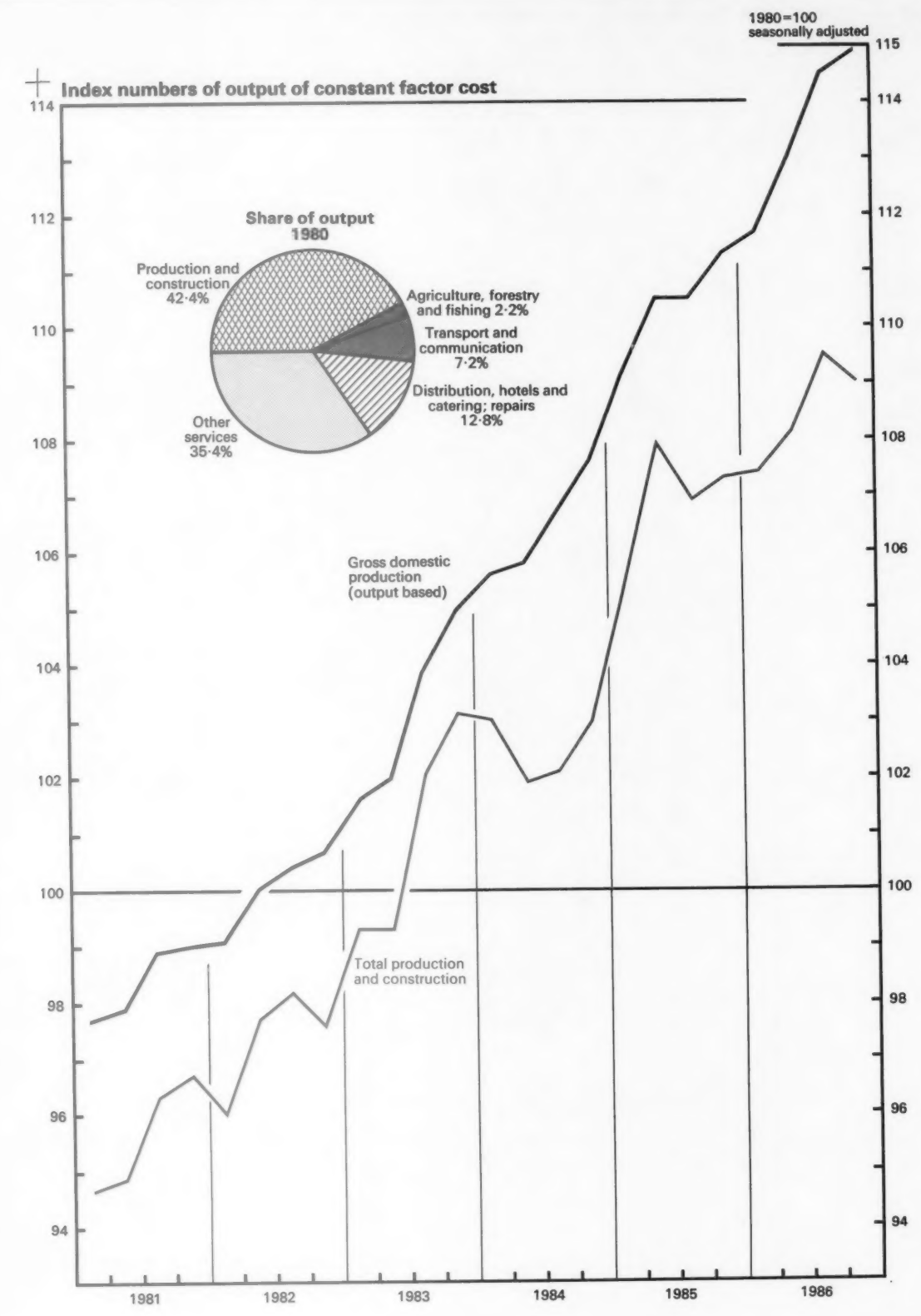


## Index numbers of output at constant factor cost

| | | Seasonally adjusted | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | 1980 = 100 | | | | | | |
| | | | | | Service industries | | | |
| | | Gross domestic product | Agriculture, forestry and fishing | Production and construction(1) | Distribution, hotels and catering; repairs | Transport and communication | Other services | Total services |
| 1980 weights | | 1 000 | 22 | 424 | 128 | 72 | 354 | 554 |
| | | DSAE | CKAP | DVJN | CKAQ | CKAR | CKAS | CKCE |
| 1978 | | 99.6 | 91.5 | 103.4 | 103.6 | 96.9 | 94.7 | 97.1 |
| 1979 | | 102.8 | 90.1 | 106.9 | 106.6 | 101.3 | 97.5 | 100.1 |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 98.4 | 102.6 | 95.6 | 98.1 | 100.2 | 101.1 | 100.3 |
| 1982 | | 100.0 | 111.2 | 97.4 | 99.9 | 99.3 | 102.8 | 101.7 |
| 1983 | | 103.1 | 106.1 | 100.9 | 103.4 | 102.3 | 105.7 | 104.7 |
| 1984 | | 106.4 | 121.3 | 102.5 | 108.2 | 106.3 | 109.6 | 108.8 |
| 1985 | | 110.4 | 117.1 | 106.8 | 112.0 | 112.3 | 113.2 | 112.8 |
| 1986 | | 113.6 | 120.6 | 108.7† | 116.7 | 116.3 | 117.4 | 117.1 |
| 1981 | 1 | 97.7 | 101 | 94.7 | 98 | 99 | 101 | 99.9 |
| | 2 | 97.9 | 101 | 94.9 | 98 | 99 | 101 | 100.1 |
| | 3 | 98.9 | 103 | 96.3 | 99 | 101 | 101 | 100.7 |
| | 4 | 99.0 | 105 | 96.6 | 97 | 102 | 102 | 100.5 |
| 1982 | 1 | 99.1 | 109 | 96.0 | 99 | 99 | 102 | 101.2 |
| | 2 | 99.9 | 112 | 97.7 | 99 | 100 | 102 | 101.2 |
| | 3 | 100.4 | 113 | 98.2 | 100 | 98 | 103 | 101.7 |
| | 4 | 100.7 | 111 | 97.6 | 101 | 100 | 104 | 102.6 |
| 1983 | 1 | 101.6 | 106 | 99.3 | 102 | 101 | 104 | 103.3 |
| | 2 | 102.0 | 104 | 99.3 | 102 | 102 | 105 | 104.0 |
| | 3 | 103.9 | 105 | 102.0 | 104 | 103 | 106 | 105.3 |
| | 4 | 105.0 | 110 | 103.1 | 105 | 104 | 107 | 106.3 |
| 1984 | 1 | 105.6 | 117 | 103.0 | 106 | 104 | 108 | 107.1 |
| | 2 | 105.8 | 123 | 101.9 | 108 | 105 | 109 | 108.1 |
| | 3 | 106.7 | 124 | 102.1 | 109 | 107 | 110 | 109.5 |
| | 4 | 107.6 | 121 | 103.0 | 111 | 109 | 111 | 110.6 |
| 1985 | 1 | 109.2 | 118 | 105.4 | 111 | 111 | 112 | 111.7 |
| | 2 | 110.5 | 116 | 107.9 | 111 | 112 | 113 | 112.4 |
| | 3 | 110.6 | 117 | 106.8 | 112 | 112 | 114 | 113.1 |
| | 4 | 111.3 | 118 | 107.3 | 113 | 113 | 114 | 114.1 |
| 1986 | 1 | 111.7 | 120 | 107.5 | 114 | 114 | 115 | 114.7 |
| | 2 | 113.0 | 120 | 108.1† | 116 | 116 | 117 | 116.4 |
| | 3 | 114.5 | 121 | 109.7 | 118 | 116 | 118 | 118.1 |
| | 4 | 115.2 | 121 | 109.7 | 119 | 118 | 119 | 119.1 |
| 1987 | 1 | 115.7† | | | | | | 119.5† |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | |
| 1981 | 1 | -4.8 | +4 | -10.0 | -5 | -5 | +1 | -0.9 |
| | 2 | -2.7 | +1 | -6.4 | -3 | -2 | +1 | -0.2 |
| | 3 | -0.2 | +1 | -2.0 | - | +3 | +1 | +1.1 |
| | 4 | +1.3 | +4 | +1.6 | - | +5 | +1 | +1.2 |
| 1982 | 1 | +1.5 | +8 | +1.4 | +1 | - | +2 | +1.2 |
| | 2 | +2.1 | +11 | +3.0 | +1 | +1 | +1 | +1.1 |
| | 3 | +1.6 | +10 | +2.0 | +2 | -3 | +2 | +1.0 |
| | 4 | +1.7 | +5 | +1.0 | +4 | -2 | +2 | +2.1 |
| 1983 | 1 | +2.5 | -3 | +3.4 | +3 | +2 | +2 | +2.1 |
| | 2 | +2.0 | -8 | +1.6 | +3 | +2 | +3 | +2.7 |
| | 3 | +3.4 | -7 | +3.9 | +4 | +5 | +3 | +3.6 |
| | 4 | +4.3 | -1 | +5.6 | +4 | +4 | +3 | +3.6 |
| 1984 | 1 | +3.9 | +11 | +3.7 | +4 | +3 | +4 | +3.7 |
| | 2 | +3.8 | +18 | +2.6 | +5 | +3 | +4 | +4.0 |
| | 3 | +2.7 | +18 | +0.1 | +4 | +4 | +4 | +4.0 |
| | 4 | +2.5 | +10 | -0.1 | +5 | +5 | +4 | +4.1 |
| 1985 | 1 | +3.4 | +1 | +2.3 | +5 | +7 | +4 | +4.3 |
| | 2 | +4.5 | -6 | +5.9 | +3 | +7 | +3 | +3.9 |
| | 3 | +3.6 | -6 | +4.6 | +3 | +5 | +3 | +3.3 |
| | 4 | +3.4 | -2 | +4.2 | +2 | +4 | +3 | +3.1 |
| 1986 | 1 | +2.3 | +1 | +2.0 | +2 | +3 | +3 | +2.7 |
| | 2 | +2.2 | +4 | +0.2† | +4 | +4 | +3 | +3.6 |
| | 3 | +3.6 | +4 | +2.7 | +5 | +4 | +4 | +4.4 |
| | 4 | +3.5 | +2 | +2.2 | +5 | +4 | +4 | +4.4 |
| 1987 | 1 | +3.5† | | | | | | +4.2† |

1 The latest revisions to this column may not yet have been fully taken into account in the calculation of the series shown for overall gross domestic product.


Index numbers of output of constant factor cost
1980=100
seasonally adjusted
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Gross domestic production (output based)
Total production and construction
114
112
110
108
106
104
102
100
98
96
94
115
1981
1982
1983
1984
1985
1986

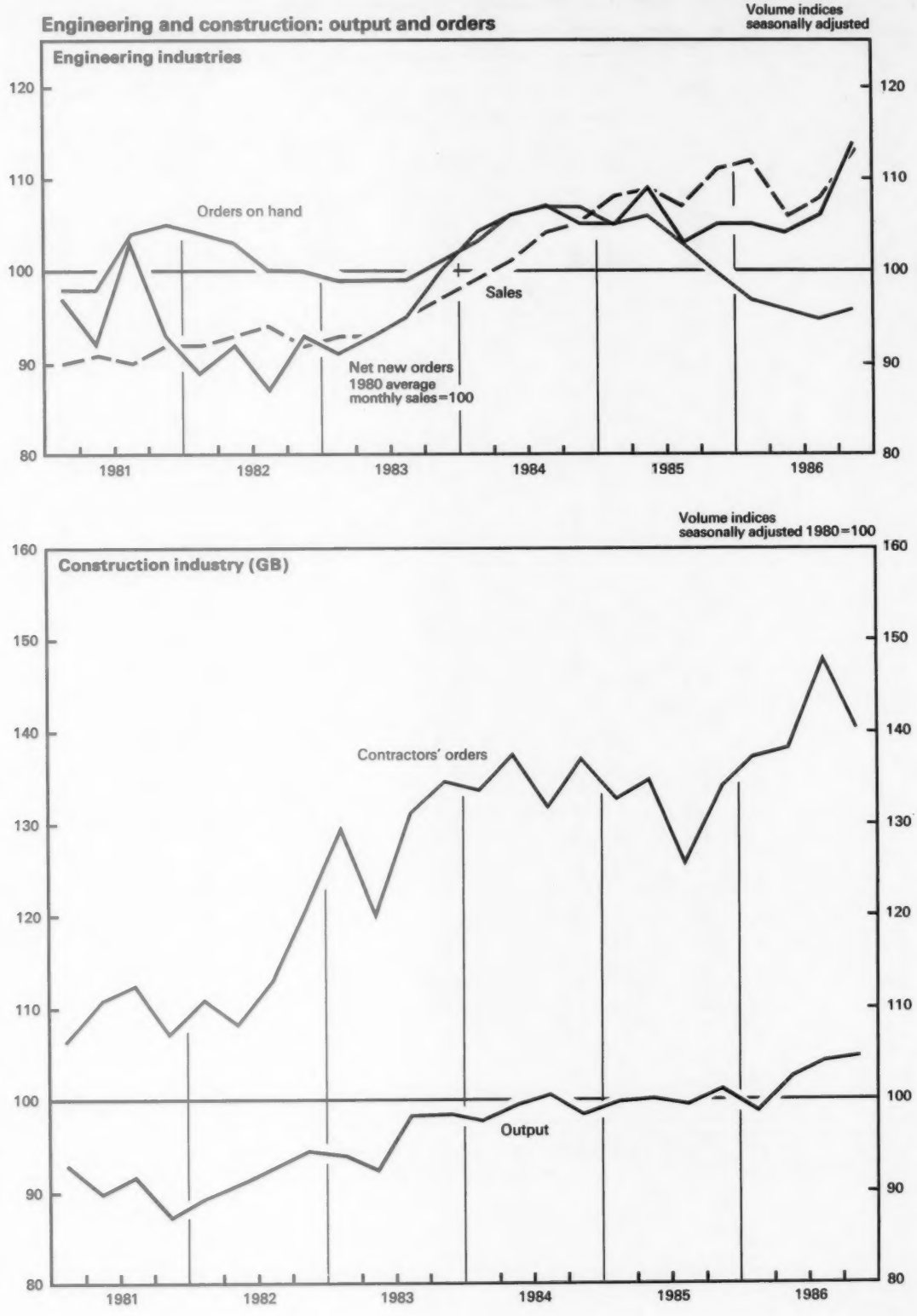
## Engineering and construction: output and orders

Seasonally adjusted volume index numbers

| | | Engineering industries(1) | | | | | | | | Construction(GB) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | | | Home market | | Export | | | | |
| | | Sales | Orders on hand end of period | New orders(2) | Orders on hand end of period | New orders(2) | Orders on hand end of period | New orders(2) | | Output(3,4) | Orders received |
| | | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | Average 1980 = 100 | 1980 average monthly sales = 100 | | 1980 = 100 | 1980 = 100 |
| | | FEAJ | DKCJ | FEAL | FEAV | FEAN | FEAX | FEAP | | FEAQ | FEAZ |
| 1982 | | 93 | 100 | 91 | 102 | 93 | 98 | 85 | | 91.9 | 113.2 |
| 1983 | | 95 | 101 | 95 | 98 | 95 | 105 | 84 | | 95.7 | 128.8 |
| 1984 | | 102 | 107 | 105 | 99 | 103 | 121 | 110 | | 98.9 | 135.2 |
| 1985 | | 108 | 100 | 105 | 91 | 104 | 116 | 109 | | 100.1 | 131.9 |
| 1986 | | 109† | 95† | 107† | 87† | 110† | 108† | 100 | | 102.5 | 141.7† |
| 1982 | 4 | 92 | 101 | 93 | 102 | 97 | 98 | 83 | | 94.4 | 120.9 |
| 1983 | 1 | 93 | 99 | 91 | 98 | 87 | 103 | 100 | | 94.0 | 129.5 |
| | 2 | 93 | 99 | 93 | 97 | 94 | 104 | 92 | | 92.3 | 119.8 |
| | 3 | 95 | 99 | 95 | 97 | 100 | 102 | 84 | | 98.2 | 131.1 |
| | 4 | 97 | 101 | 100 | 98 | 101 | 105 | 99 | | 98.3 | 134.8 |
| 1984 | 1 | 98 | 103 | 104 | 100 | 104 | 109 | 102 | | 97.7 | 133.8 |
| | 2 | 101 | 106 | 106 | 100 | 103 | 115 | 113 | | 99.3 | 137.6 |
| | 3 | 104 | 107 | 107 | 99 | 102 | 119 | 115 | | 100.5 | 131.9 |
| | 4 | 105 | 107 | 105 | 99 | 103 | 121 | 110 | | 98.3 | 137.2 |
| 1985 | 1 | 108 | 105 | 105 | 98 | 104 | 118 | 107 | | 99.8 | 132.9 |
| | 2 | 109 | 108 | 109 | 96 | 100 | 123 | 126 | | 100.0 | 135.0 |
| | 3 | 107 | 103 | 103 | 93 | 101 | 121 | 105 | | 99.5 | 125.6 |
| | 4 | 111 | 100 | 105 | 91 | 110 | 116 | 98 | | 101.0 | 134.1 |
| 1986 | 1 | 112 | 97 | 105 | 89 | 111 | 111 | 95 | | 98.7 | 137.8† |
| | 2 | 106 | 96 | 105† | 90 | 111 | 107 | 91† | | 102.7 | 139.2 |
| | 3 | 108 | 95 | 106 | 90 | 111† | 105 | 95 | | 104.1 | 149.5 |
| | 4 | 112† | 95† | 111 | 87† | 107 | 108† | 119 | | 104.7 | 140.4 |
| 1987 | 1 | | | | | | | | | | 159.6 |
| 1984 | O | 103 | 108 | 111 | 101 | 108 | 121 | 118 | | .. | 143.3 |
| | N | 104 | 108 | 102 | 100 | 100 | 121 | 106 | | .. | 136.6 |
| | D | 108 | 107 | 103 | 99 | 102 | 121 | 105 | | .. | 131.8 |
| 1985 | J | 105 | 107 | 105 | 99 | 100 | 122 | 116 | | .. | 141.5 |
| | F | 108 | 107 | 107 | 99 | 105 | 121 | 111 | | .. | 121.7 |
| | M | 111 | 105 | 101 | 98 | 106 | 118 | 92 | | .. | 135.6 |
| | A | 106 | 105 | 102 | 97 | 96 | 119 | 115† | | .. | 130.9 |
| | M | 107 | 105 | 109 | 97 | 106 | 119 | 114 | | .. | 141.8 |
| | J | 113 | 106 | 116 | 96 | 99 | 123 | 149 | | .. | 132.3 |
| | J | 105 | 105 | 100 | 94 | 99 | 122 | 102 | | .. | 130.2 |
| | A | 109 | 104 | 104 | 94 | 106 | 120 | 101 | | .. | 122.0 |
| | S | 107† | 103 | 103 | 93 | 98 | 121 | 112 | | .. | 124.6 |
| | O | 110 | 102† | 101 | 91 | 102 | 119 | 98 | | .. | 149.8 |
| | N | 111 | 101 | 106 | 91 | 110 | 117 | 97 | | .. | 136.4 |
| | D | 112 | 100 | 109 | 91 | 118 | 116 | 92 | | .. | 116.0 |
| 1986 | J | 107 | 99 | 99 | 90 | 104 | 113 | 88 | | .. | 145.6† |
| | F | 109 | 98 | 105 | 89 | 106 | 113 | 97 | | .. | 133.6 |
| | M | 120 | 97 | 113 | 89 | 120 | 111 | 100 | | .. | 134.1 |
| | A | 101 | 97 | 100 | 89 | 107 | 109 | 85 | | .. | 145.3 |
| | M | 109 | 96 | 107† | 90 | 115† | 108 | 91 | | .. | 130.6 |
| | J | 108 | 96 | 107 | 90 | 112 | 107 | 96 | | .. | 141.6 |
| | J | 108 | 95 | 102 | 89 | 108 | 108† | 96 | | .. | 174.4 |
| | A | 105 | 95 | 105 | 89 | 111 | 106 | 95 | | .. | 133.6 |
| | S | 110 | 95 | 110 | 90 | 114 | 105 | 102 | | .. | 140.6 |
| | O | 112 | 95 | 108 | 89 | 111 | 104 | 104 | | .. | 141.7 |
| | N | 113 | 94 | 110 | 88 | 105 | 105 | 120 | | .. | 142.4 |
| | D | 110 | 95 | 114 | 87† | 105 | 108 | 132 | | .. | 137.1 |
| 1987 | J | 107 | 96 | 114 | 87 | 109 | 111 | 124 | | .. | 177.0 |
| | F | 109 | 96 | 108 | 88 | 112 | 109 | 99 | | .. | 147.7 |
| | M | | | | | | | | | .. | 154.1 |

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
4 Details of the method of deflation to constant prices are given in Economic Trends, No.297, July 1978.

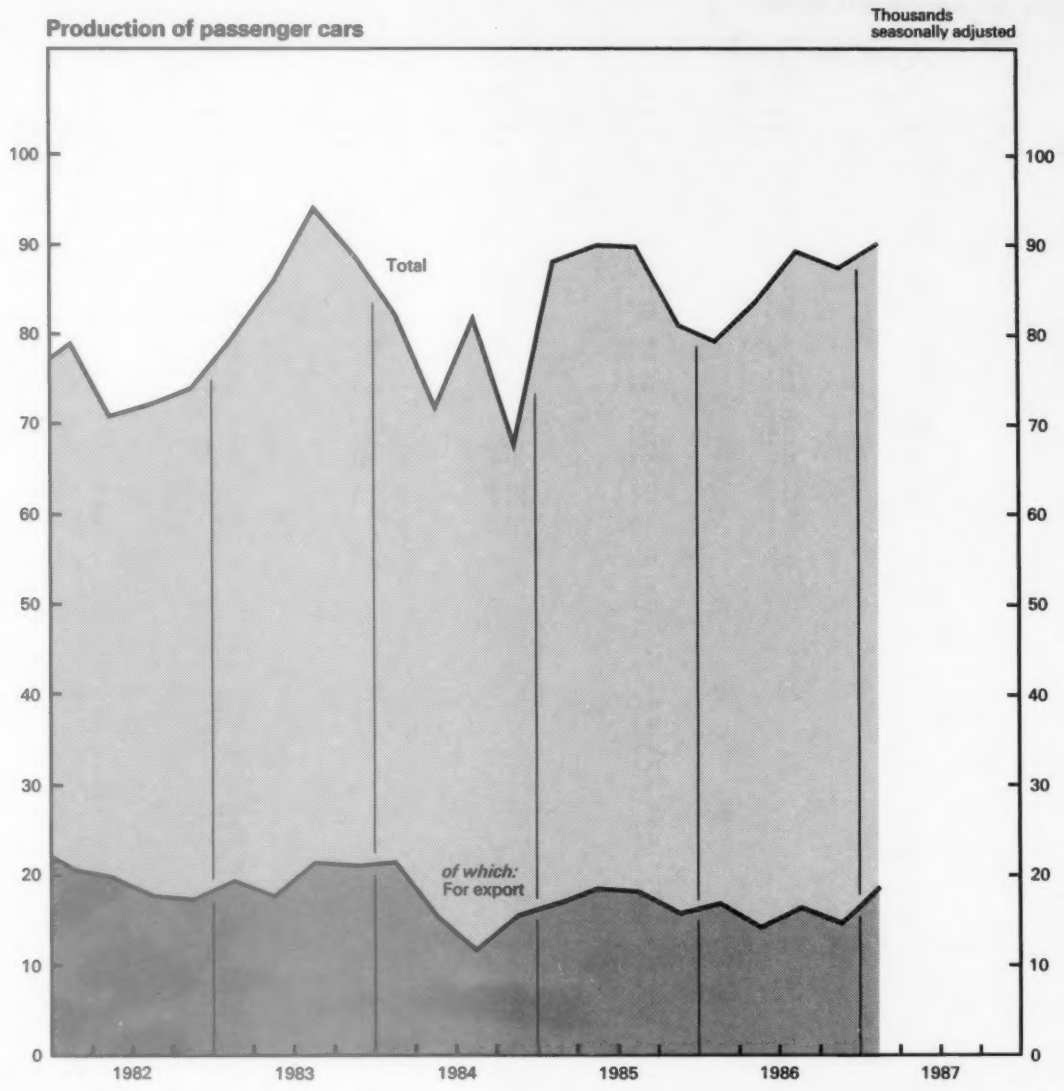
## Engineering and construction: output and orders

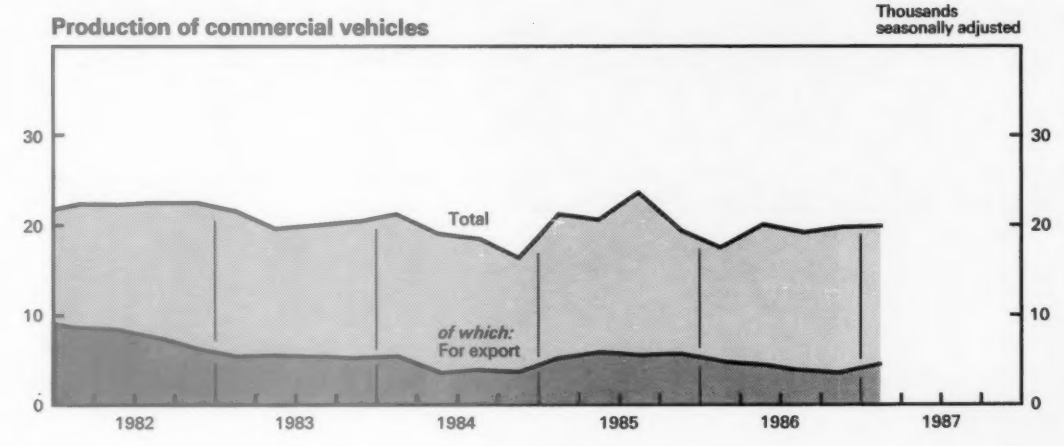


## Motor vehicle production and steel production and consumption

| | | Seasonally adjusted | | | | | |
|---|---|---|---|---|---|---|---|
| | | Thousands(1) | | | | Thousand tonnes | |
| | | Passenger cars* | | Commercial vehicles* | | | |
| | | Total | Production for export | Total | of which: For export | Crude steel production(2,3,4) | Finished steel consumption |
| | | FFAO | FFAP | FFAQ | FFAR | FFAM | FFAN |
| 1976 | | 111.1 | 47.1 | 31.0 | 15.8 | 22 274 | 15 804 |
| 1977 | | 109.7 | 46.9 | 33.2 | 16.4 | 20 411 | 15 300 |
| 1978 | | 101.9 | 41.2 | 32.0 | 14.1 | 20 311 | 15 710 |
| 1979 | | 89.2 | 32.7 | 34.0 | 13.5 | 21 464 | 15 480 |
| 1980 | | 77.0 | 29.1 | 32.4 | 13.0 | 11 277 | 12 770 |
| 1981 | | 79.5 | 25.4 | 19.1 | 9.5 | 15 573 | 12 440 |
| 1982 | | 74.0 | 18.9 | 22.4 | 7.7 | 13 704 | 12 240 |
| 1983 | | 87.0 | 19.8 | 20.4 | 5.2 | 14 986 | 11 510 |
| 1984 | | 75.7 | 16.0 | 18.7 | 4.1 | 15 121 | 11 340 |
| 1985 | | 87.3 | 17.3 | 22.2 | 5.5 | 15 722 | 11 560 |
| 1986 | | 84.9 | 15.6 | 19.1 | 4.2 | 14 725 | 11 840 |
| 1982 | 4 | 73.9 | 17.2 | 22.5 | 6.1 | 2 720 | 2 870 |
| 1983 | 1 | 79.3 | 19.4 | 21.7 | 5.2 | 3 768 | 2 810 |
| | 2 | 85.7 | 17.6 | 19.6 | 5.3 | 3 813 | 2 900 |
| | 3 | 94.1 | 21.2 | 20.0 | 5.3 | 3 690 | 2 820 |
| | 4 | 89.1 | 21.0 | 20.2 | 5.1 | 3 682 | 2 980 |
| 1984 | 1 | 82.4 | 21.4 | 21.2 | 5.3 | 3 963 | 2 850 |
| | 2 | 71.3 | 15.5 | 19.0 | 3.7 | 3 604 | 2 720 |
| | 3 | 82.1 | 11.8 | 18.6 | 3.9 | 3 743 | 2 910 |
| | 4 | 67.2 | 15.4 | 16.1 | 3.7 | 3 786 | 2 860 |
| 1985 | 1 | 88.2 | 16.8 | 21.2 | 5.1 | 3 714 | 2 840 |
| | 2 | 90.0 | 18.4 | 24.1 | 5.9 | 4 117 | 2 760 |
| | 3 | 89.9 | 18.2 | 23.9 | 5.3 | 3 920 | 2 890 |
| | 4 | 81.3 | 15.8 | 19.4 | 5.6 | 3 965 | 3 070 |
| 1986 | 1 | 79.2 | 17.0 | 17.3 | 4.8 | 3 787 | 2 980 |
| | 2 | 83.7 | 14.1 | 20.0 | 4.5 | 3 256 | 2 930 |
| | 3 | 89.1 | 16.5 | 19.1 | 3.8 | 3 436 | 2 960 |
| | 4 | 87.6 | 14.8 | 19.8 | 3.5 | 4 244 | 2 970 |
| 1987 | 1 | 90.3† | 18.8† | 20.0† | 4.8† | 3 889† | |
| 1985 | J | 90.2 | 20.4 | 19.4 | 4.4 | 1 290.0 | .. |
| | F | 86.4 | 15.1 | 21.9 | 5.1 | 1 153.0 | .. |
| | M | 88.0 | 14.8 | 22.2 | 5.9 | 1 323.0 | .. |
| | A | 90.2 | 19.9 | 23.5 | 5.4 | 1 327.0 | .. |
| | M | 87.9 | 19.5 | 22.3 | 6.4 | 1 605.0 | .. |
| | J | 91.8 | 15.8 | 26.6 | 6.0 | 1 340.0 | .. |
| | J | 84.5 | 13.7 | 22.2 | 5.0 | 1 505.0 | .. |
| | A | 88.7 | 20.6 | 25.1 | 5.6 | 1 173.0 | .. |
| | S | 96.4 | 20.4 | 24.5 | 5.2 | 1 221.0 | .. |
| | O | 70.0 | 13.4 | 21.0 | 4.8 | 1 453.0 | .. |
| | N | 76.7 | 14.9 | 16.1 | 5.4 | 1 183.0 | .. |
| | D | 97.2 | 19.2 | 21.2 | 6.6 | 1 153.0 | .. |
| 1986 | J | 77.2 | 15.5 | 17.0 | 5.3 | 1 493.0 | .. |
| | F | 73.9 | 16.9 | 16.0 | 4.7 | 1 119.0 | .. |
| | M | 86.5 | 18.5 | 18.8 | 4.4 | 1 176.0 | .. |
| | A | 78.3 | 13.2 | 17.9 | 4.3 | 1 323.0 | .. |
| | M | 86.6 | 13.8 | 20.7 | 5.3 | 960.0 | .. |
| | J | 86.2 | 15.2 | 21.4 | 4.0 | 973.0 | .. |
| | J | 83.2 | 12.8 | 18.7 | 3.9 | 1 220.0 | .. |
| | A | 83.7 | 19.3 | 18.8 | 3.2 | 955.0 | .. |
| | S | 100.4 | 17.5 | 19.9 | 4.2 | 1 261.0 | .. |
| | O | 79.9 | 11.7 | 18.7 | 3.5 | 1 593.0 | .. |
| | N | 83.6 | 15.8 | 18.1 | 3.4 | 1 265.0 | .. |
| | D | 99.4 | 16.8 | 22.7 | 3.6 | 1 387.0 | .. |
| 1987 | J | 84.3 | 16.3 | 19.9 | 4.1 | 1 493.0 | .. |
| | F | 87.9 | 19.0 | 19.8 | 4.1 | 1 270.0 | .. |
| | M | 98.6† | 21.1† | 20.4† | 5.5† | 1 228.0† | .. |

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
3 The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
4 June,August and November 1983 are 5-week periods, as are February, May,August and October 1984.


Production of passenger cars
Thousands
seasonally adjusted
100
90
80
70
60
50
40
30
20
10
0
Total
of which:
For export
1982
1983
1984
1985
1986
1987

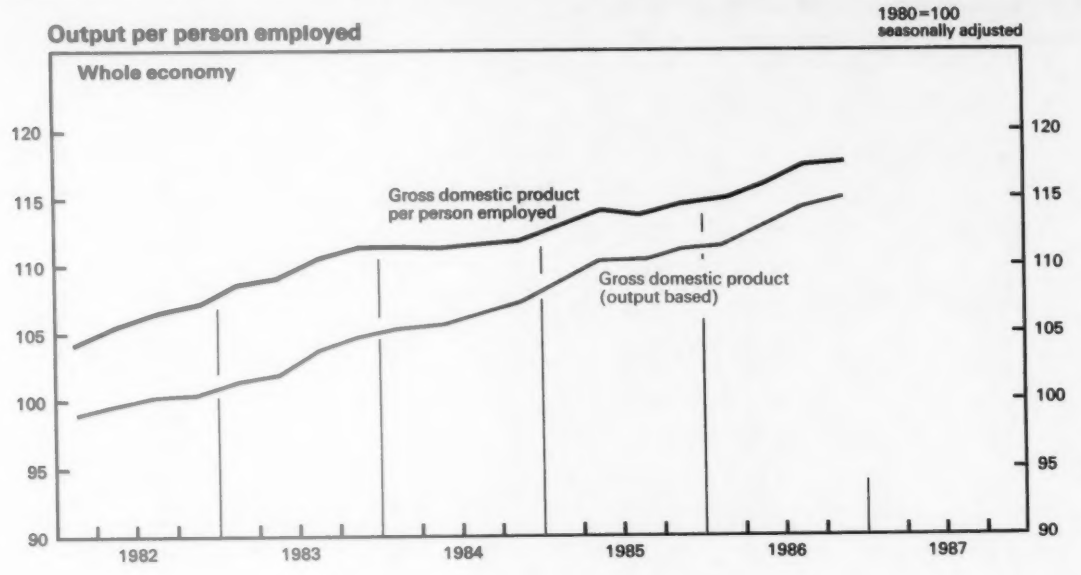

Production of commercial vehicles
Thousands
seasonally adjusted
30
20
10
0
Total
of which:
For export
1982
1983
1984
1985
1986
1987

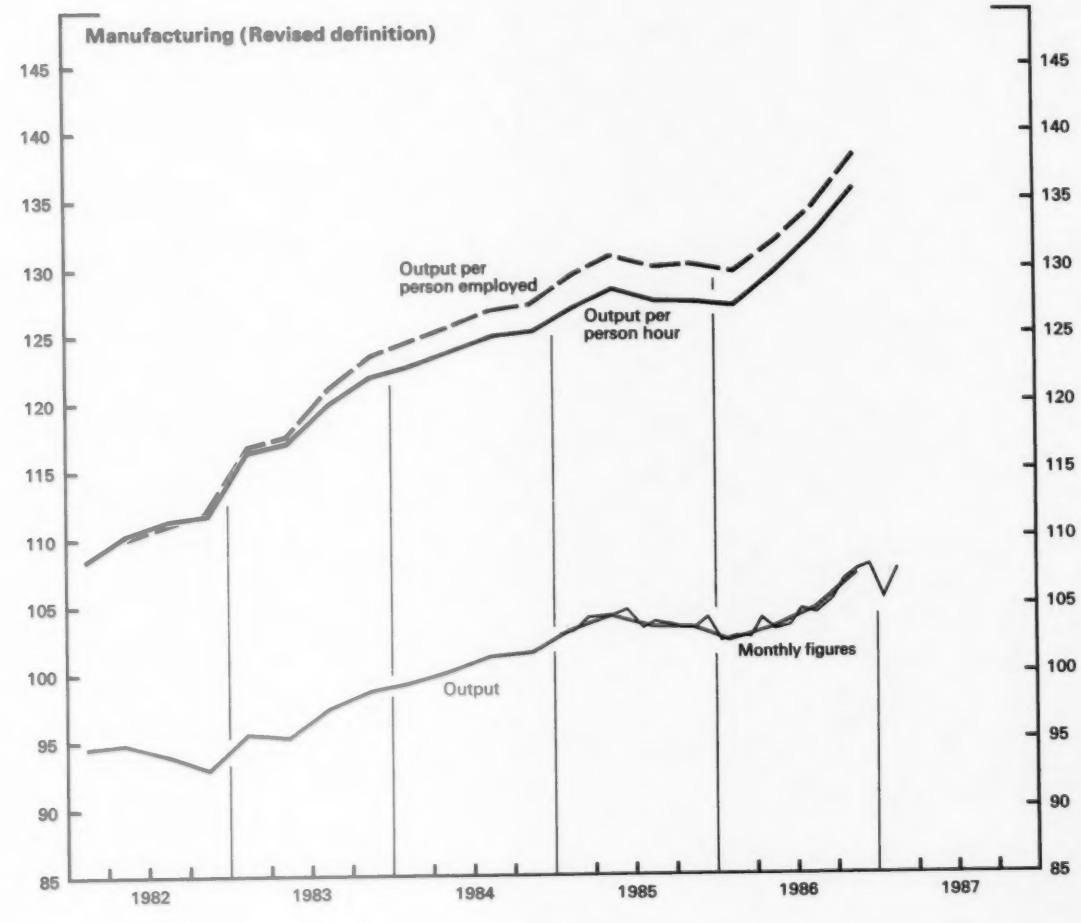
## Output per person employed

1980 = 100, seasonally adjusted

| | | Total employed labour force | Employment: Total production industries(2) | Employment: Manufacturing industries(2) | Output per person employed(1): Whole economy | Output per person employed(1): Total production industries(2) | Output per person employed(1): Manufacturing industries(2) | Output per hour in manufacturing industries(2) |
|---|---|---|---|---|---|---|---|---|
| | | DMBC | DMBK | DMBD | DMBE | CAIW | DMBF | DMBH |
| 1982 | | 94.6 | 86.2 | 85.5 | 105.8 | 114.1 | 110.3 | 110.3 |
| 1983 | | 93.8 | 81.7 | 81.0 | 109.9 | 124.7 | 119.7 | 118.9 |
| 1984 | | 95.5 | 80.2 | 79.8 | 111.5 | 128.6 | 126.2 | 124.2 |
| 1985 | | 97.0 | 79.7 | 79.6 | 113.8 | 135.5 | 130.3 | 127.8 |
| 1986 | | 97.5 | 77.9 | 78.3 | 116.5 | 141.2† | 133.6† | 131.2† |
| 1983 | 1 | 93.5 | 82.9 | 82.1 | 108.7 | 121.0 | 116.8 | 116.5 |
| | 2 | 93.5 | 82.0 | 81.2 | 109.1 | 122.7 | 117.5 | 117.1 |
| | 3 | 93.9 | 81.3 | 80.6 | 110.7 | 126.4 | 121.0 | 120.0 |
| | 4 | 94.4 | 80.8 | 80.1 | 111.3 | 128.7 | 123.5 | 122.0 |
| 1984 | 1 | 94.9 | 80.4 | 79.8 | 111.3 | 129.4 | 124.6 | 122.8 |
| | 2 | 95.2 | 80.2 | 79.8 | 111.2 | 127.9 | 125.8 | 123.9 |
| | 3 | 95.7 | 80.1 | 79.9 | 111.5 | 127.8 | 127.0 | 125.0 |
| | 4 | 96.2 | 80.1 | 79.8 | 111.9 | 129.5 | 127.4 | 125.2 |
| 1985 | 1 | 96.6 | 80.0 | 79.7 | 113.0 | 133.0 | 129.7 | 127.2 |
| | 2 | 96.9 | 79.9 | 79.7 | 114.1 | 136.8 | 131.1 | 128.7 |
| | 3 | 97.2 | 79.7 | 79.6 | 113.8 | 135.6† | 130.1† | 127.6† |
| | 4 | 97.3 | 79.4 | 79.5 | 114.4 | 136.5 | 130.4 | 127.6 |
| 1986 | 1 | 97.3 | 78.8 | 79.1 | 114.9 | 138.5 | 129.8 | 127.2 |
| | 2 | 97.4 | 78.1 | 78.5 | 116.0 | 139.8 | 131.9 | 129.7 |
| | 3 | 97.6 | 77.5 | 77.8 | 117.4 | 143.0 | 134.8 | 132.6 |
| | 4 | 97.9 | 77.2 | 77.7 | 117.7 | 143.4 | 137.9 | 135.5 |
| 1987 | 1 | | 76.8† | 77.4† | | 146.1 | 138.3 | 135.8 |
| 1985 | N | .. | .. | 79.5 | .. | .. | 130.3 | 127.6 |
| | D | .. | .. | 79.4 | .. | .. | 131.0 | 128.0 |
| 1986 | J | .. | .. | 79.4 | .. | .. | 129.1 | 126.5 |
| | F | .. | .. | 79.0 | .. | .. | 130.1 | 127.6 |
| | M | .. | .. | 78.9 | .. | .. | 130.1 | 127.6 |
| | A | .. | .. | 78.8 | .. | .. | 131.9† | 129.6† |
| | M | .. | .. | 78.4 | .. | .. | 131.6 | 129.4 |
| | J | .. | .. | 78.2 | .. | .. | 132.3 | 130.2 |
| | J | .. | .. | 77.9 | .. | .. | 134.5 | 132.3 |
| | A | .. | .. | 77.8 | .. | .. | 134.3 | 132.1 |
| | S | .. | .. | 77.7 | .. | .. | 135.6 | 133.3 |
| | O | .. | .. | 77.7 | .. | .. | 137.3 | 135.0 |
| | N | .. | .. | 77.7 | .. | .. | 138.0 | 135.5 |
| | D | .. | .. | 77.7 | .. | .. | 138.3 | 135.9 |
| 1987 | J | .. | .. | 77.4 | .. | .. | 138.1 | 134.4 |
| | F | .. | .. | 77.4 | .. | .. | 139.1 | 136.4 |
| | M | .. | .. | 77.4† | .. | .. | 139.6 | 136.7 |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | |
| 1983 | 1 | -1.9 | -6.1 | -6.3 | +4.4 | +9.9 | +7.8 | +7.6 |
| | 2 | -1.5 | -5.7 | -5.9 | +3.5 | +7.9 | +6.7 | +6.3 |
| | 3 | -0.5 | -4.9 | -4.8 | +4.0 | +9.0 | +8.9 | +7.9 |
| | 4 | +0.5 | -3.9 | -3.8 | +3.8 | +10.2 | +10.5 | +9.2 |
| 1984 | 1 | +1.5 | -3.0 | -2.8 | +2.4 | +6.9 | +6.7 | +5.4 |
| | 2 | +1.8 | -2.2 | -1.7 | +1.9 | +4.2 | +7.1 | +5.8 |
| | 3 | +1.9 | -1.5 | -0.9 | +0.7 | +1.1 | +5.0 | +4.2 |
| | 4 | +1.9 | -0.9 | -0.4 | +0.5 | +0.6 | +3.2 | +2.6 |
| 1985 | 1 | +1.8 | -0.5 | -0.1 | +1.5 | +2.8 | +4.1 | +3.6 |
| | 2 | +1.8 | -0.4 | -0.1 | +2.6 | +7.0 | +4.2 | +3.9 |
| | 3 | +1.6 | -0.5 | -0.4 | +2.1 | +6.1 | +2.4 | +2.1 |
| | 4 | +1.1 | -0.9 | -0.4 | +2.2 | +5.4 | +2.4 | +1.9 |
| 1986 | 1 | +0.7 | -1.5 | -0.8 | +1.7 | +4.1 | +0.1 | - |
| | 2 | +0.5 | -2.3 | -1.5 | +1.7 | +2.2 | +0.6 | +0.8 |
| | 3 | +0.4 | -2.8 | -2.3 | +3.2 | +5.5 | +3.6 | +3.9 |
| | 4 | +0.6 | -2.8 | -2.3 | +2.9 | +5.1 | +5.8 | +6.1 |
| 1987 | 1 | | -2.5 | -2.2 | | +5.5 | +6.5 | +6.8 |

1 The ratios do not take into account part-time working or hours of work.
2 Industries are grouped according to the Standard Industrial Classification 1980.

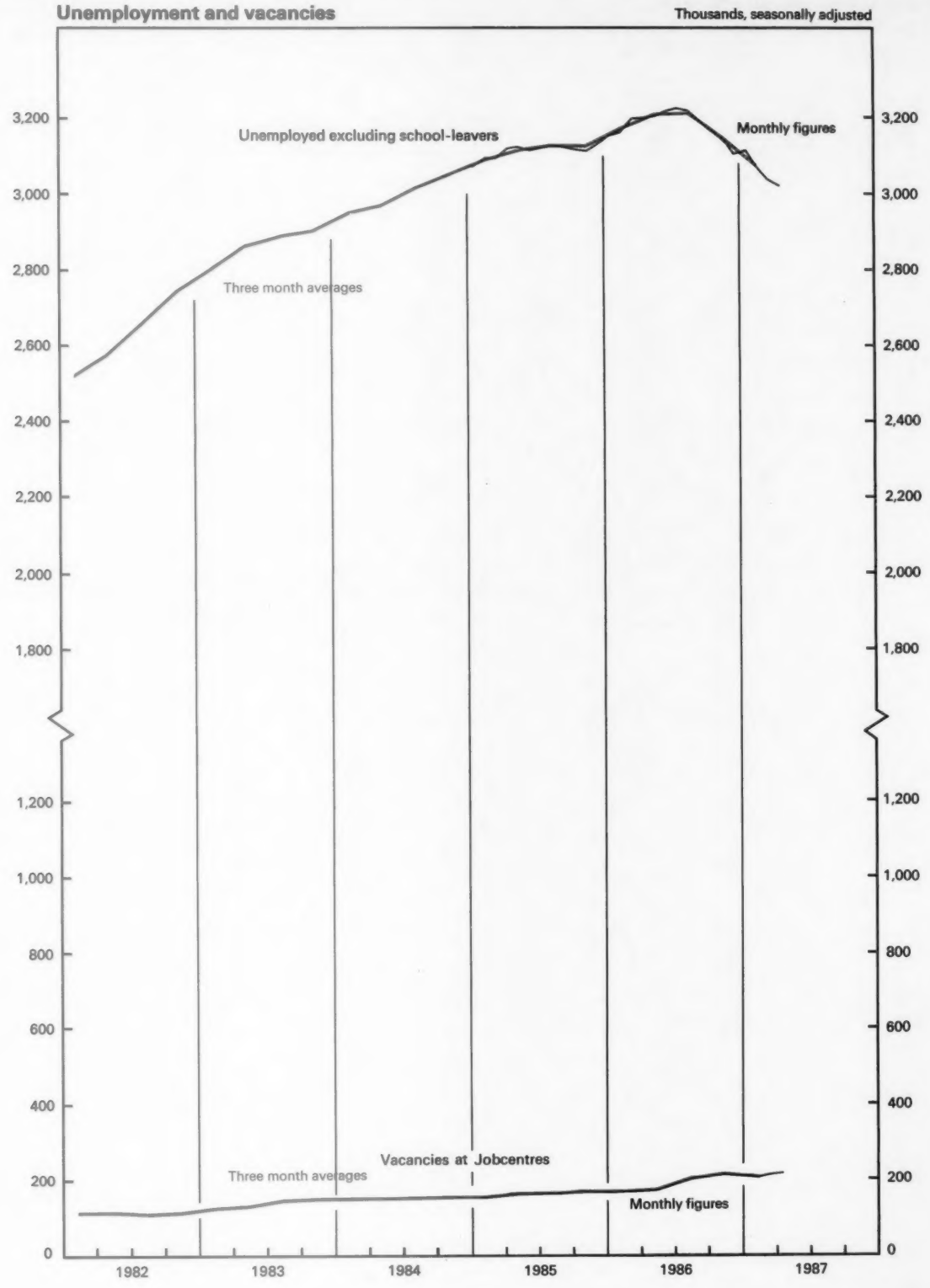

Output per person employed
1980=100
seasonally adjusted
Whole economy
Gross domestic product
per person employed
Gross domestic product
(output based)
120
115
110
105
100
95
90
1982
1983
1984
1985
1986
1987


Manufacturing (Revised definition)
Output per
person employed
Output per
person hour
Monthly figures
Output
145
140
135
130
125
120
115
110
105
100
95
90
85
1982
1983
1984
1985
1986
1987

## National employment and unemployment (1)

| | | Seasonally adjusted | | | | | | | | Unadjusted |
|---|---|---|---|---|---|---|---|---|---|---|
| | | United Kingdom | | | | | | Great Britain Manufacturing industry | | United Kingdom |
| | | Thousands | | | Unemployed excluding school leavers | | Thousands | 1984=100 | | Thousands |
| | | Working population(2,3,4) | Employed labour force(2,3) | Employees in employment(2,3) | Thousands(4) | Percentage of working population(4,5) | Vacancies at job centres*(6,7,8) | Employees in employment | Average hours worked per operative(9) | Total unemployed including school-leavers(4) |
| | | BCAI | FGAB | BCAJ | BCJD | BCJE | DPCB | FGAJ | FGAH | BCJA |
| 1981 | | 26 692 | 24 318 | 21 847 | 2 270 | 8.5† | 91.1 | 90.5 | 98.7 | 2 520.3 |
| 1982 | | 26 603 | 23 882 | 21 389 | 2 626 | 9.9 | 113.9 | 85.4 | 100.5 | 2 916.9 |
| 1983 | | 26 609 | 23 584 | 21 021 | 2 866 | 10.7 | 137.3 | 80.5 | 101.5 | 3 104.7 |
| 1984 | | 27 128 | 24 035 | 21 194 | 2 998 | 11.0 | 150.1 | 78.8 | 102.7 | 3 159.8 |
| 1985 | | 27 693† | 24 457† | 21 502† | 3 113 | 11.3 | 162.1 | 78.2 | 103.3 | 3 271.2 |
| 1986 | | 28 900 | 24 555 | 21 587 | 3 184 | 11.5 | 188.7 | | 102.6 | 3 289.1 |
| 1984 | 1 | 27 025 | 23 943 | 21 170 | 2 948.8 | 10.9 | 147.2 | 80.8 | 102.5 | 3 176.3 |
| | 2 | 27 128 | 24 035 | 21 194 | 2 972.5 | 11.0 | 149.1 | 80.8 | 102.6 | 3 074.0 |
| | 3 | 27 306† | 24 154† | 21 282† | 3 017.1 | 11.1 | 151.3 | 79.1 | 102.5 | 3 166.7 |
| | 4 | 27 473 | 24 297 | 21 397 | 3 054.9 | 11.3 | 153.1 | 79.2 | 103.2 | 3 222.4 |
| 1985 | 1 | 27 584 | 24 380 | 21 453 | 3 087.6 | 11.2 | 155.5 | 79.1 | 103.2 | 3 310.8 |
| | 2 | 27 693 | 24 457 | 21 502 | 3 118.8 | 11.3 | 162.3 | 79.0 | 103.5 | 3 230.7 |
| | 3 | 27 714 | 24 495 | 21 536 | 3 124.0 | 11.3 | 163.3 | 78.9 | 103.4 | 3 273.9 |
| | 4 | 27 762 | 24 529 | 21 568 | 3 122.1 | 11.3 | 167.3 | 78.6 | 103.6 | 3 269.6 |
| 1986 | 1 | 27 839 | 24 534 | 21 589 | 3 170.9 | 11.5 | 166.5 | 78.1 | 103.2† | 3 356.1 |
| | 2 | 28 900 | 24 555 | 21 587 | 3 206.4 | 11.5† | 175.6 | 77.4 | 102.7 | 3 275.1 |
| | 3 | 27 886 | 24 607 | 21 613 | 3 211.9 | 11.6 | 200.2 | 76.9† | 102.8 | 3 297.5 |
| | 4 | 27 907 | 24 695 | 21 678 | 3 143.4 | 11.3 | 212.7 | 76.8 | 102.9 | 3 227.7 |
| 1987 | 1 | | | | 3 077.2† | 11.0 | 209.3 | | | 3 222.1 |
| 1985 | F | .. | .. | .. | 3 093.5 | 11.2 | 155.0 | 79.2 | 103.2 | 3 323.7 |
| | M | .. | .. | .. | 3 094.8 | 11.2 | 156.9 | 79.1 | 103.2 | 3 267.6 |
| | A | .. | .. | .. | 3 120.8 | 11.3 | 162.1 | 78.9 | 102.3 | 3 272.6 |
| | M | .. | .. | .. | 3 121.4 | 11.3 | 161.9 | 79.0 | 103.4 | 3 240.9 |
| | J | .. | .. | .. | 3 114.2 | 11.3 | 162.8 | 79.0 | 103.5 | 3 178.6 |
| | J | .. | .. | .. | 3 121.1 | 11.3 | 161.6 | 78.8 | 103.3 | 3 235.0 |
| | A | .. | .. | .. | 3 127.4 | 11.3 | 162.7 | 78.8 | 103.1 | 3 240.4 |
| | S | .. | .. | .. | 3 123.5 | 11.3 | 165.7 | 78.9 | 103.4 | 3 346.2 |
| | O | .. | .. | .. | 3 119.9 | 11.3 | 169.9 | 78.8 | 103.4 | 3 276.9 |
| | N | .. | .. | .. | 3 113.8 | 11.3 | 168.6 | 78.6 | 103.4 | 3 258.9 |
| | D | .. | .. | .. | 3 132.5 | 11.4 | 163.5 | 78.6 | 103.6 | 3 273.1 |
| 1986 | J | .. | .. | .. | 3 153.2 | 11.4 | 162.8 | 78.6 | 103.4† | 3 407.7 |
| | F | .. | .. | .. | 3 160.9 | 11.5 | 167.2 | 78.2 | 103.2 | 3 336.7 |
| | M | .. | .. | .. | 3 198.6 | 11.6 | 169.5 | 78.1 | 103.2 | 3 323.8 |
| | A | .. | .. | .. | 3 200.2 | 11.5† | 170.2 | 78.0 | 103.0 | 3 325.1 |
| | M | .. | .. | .. | 3 205.4 | 11.5 | 172.1 | 77.8 | 102.8 | 3 270.9 |
| | J | .. | .. | .. | 3 219.6 | 11.6 | 184.4 | 77.4 | 102.7 | 3 229.4 |
| | J | .. | .. | .. | 3 224.0 | 11.6 | 193.2 | 77.1 | 102.8 | 3 279.6 |
| | A | .. | .. | .. | 3 219.0 | 11.6 | 201.1 | 76.9 | 102.8 | 3 280.1 |
| | S | .. | .. | .. | 3 192.6 | 11.5 | 206.4 | 76.9† | 102.8 | 3 332.9 |
| | O | .. | .. | .. | 3 166.2 | 11.4 | 212.8 | 76.8 | 102.8 | 3 237.2 |
| | N | .. | .. | .. | 3 144.8 | 11.3 | 215.2 | 76.8 | 103.0 | 3 216.8 |
| | D | .. | .. | .. | 3 119.1 | 11.2 | 210.0 | 76.8 | 102.9 | 3 229.2 |
| 1987 | J | .. | .. | .. | 3 118.0 | 11.2 | 210.3 | 76.4 | 102.3 | 3 297.2 |
| | F | .. | .. | .. | 3 073.9† | 11.0 | 207.1 | 76.5 | 103.3 | 3 225.8 |
| | M | .. | .. | .. | 3 039.7 | 10.9 | 210.6 | | | 3 143.4 |
| | A | .. | .. | .. | 3 020.1 | 10.9 | 213.9† | | | 3 107.1† |

1 Unemployment figures do not include students registered for temporary employment during a current vacation.
2 The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of employees in employment up to June 1985 take account of the results of the 1983, 1984 and 1985 Labour Force Surveys. Estimates for later periods include an allowance for continued undercounting (see article on page 161 of May 1985 Employment Gazette for a detailed description of their derivation).
3 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.
4 There has been a change in the compilation of the unemployment statistics (see Employment Gazette, March/April 1986, pages 107-108). Unadjusted figures for February and March 1986 are on the new basis (estimated for February) and not directly comparable with earlier figures. It is estimated that the change reduces the total UK count by 50,000 on average. Seasonally adjusted figures have been revised to allow for this and previous discontinuities, to be consistent with the new coverage. The latest seasonally adjusted figures are provisional and subject to revision, mainly in the following month. The unadjusted figures also reflect a small discontinuity in the Northern Ireland count between June and August 1985.
5 The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, self-employed and HM forces. Recent figures are based on mid-1985 estimates.
6 The statistics of vacancy stocks were distorted in April and May 1985 because of a change in the Manpower Services Commission's Employment Division's arrangements. This led to an artificial increase in the April level, but the recorded stocks for May should be minimally affected.
7 There has been a change in the method of compiling vacancy statistics. See October issue of Employment Gazette for details.
8 This series excludes community programme vacancies.
9 The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies at Jobcentres
Three month averages
Monthly figures
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
1982
1983
1984
1985
1986
1987

## Regional unemployment rates (1)

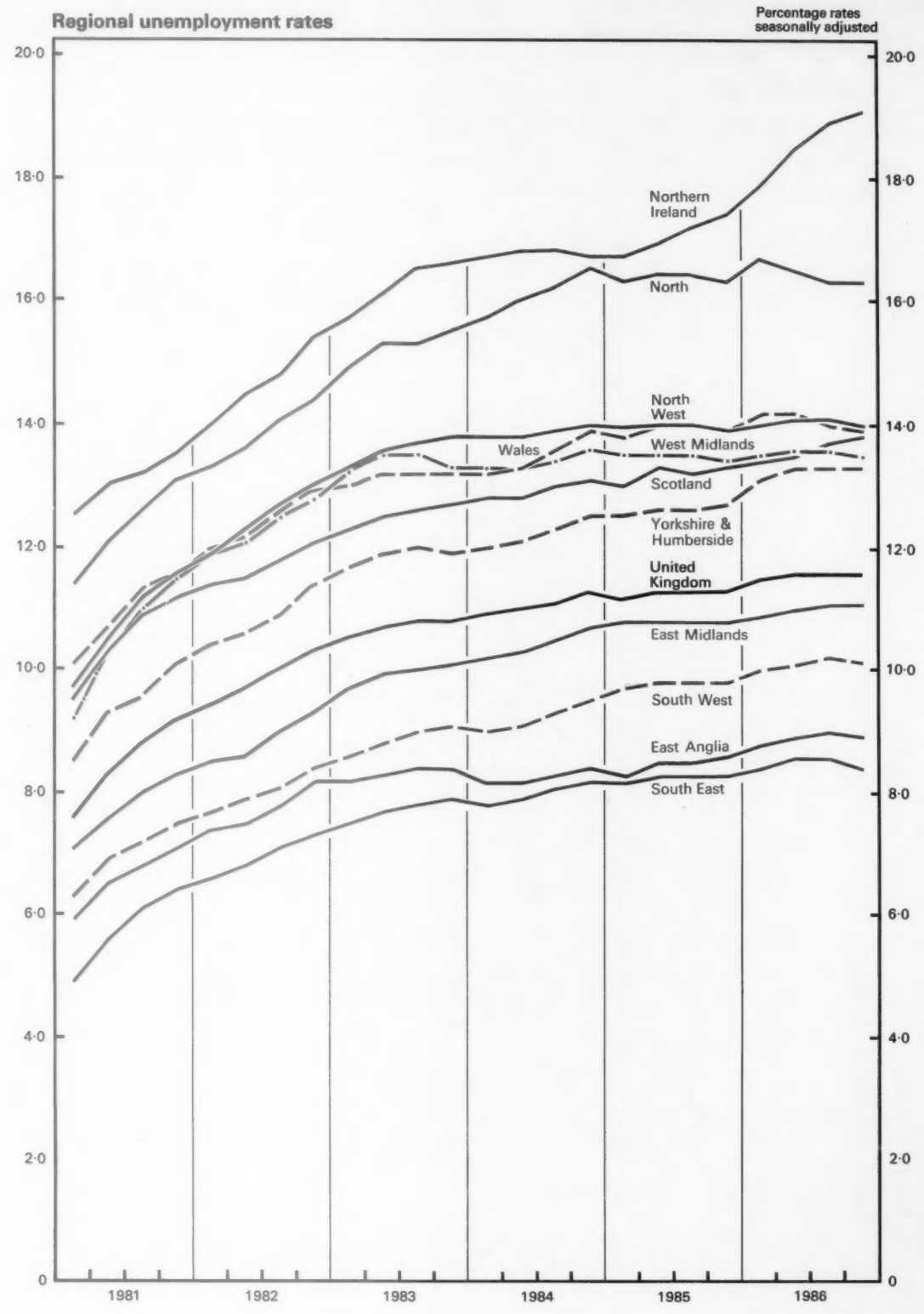
Seasonally adjusted(2,3)

Per cent

| | | North | Yorkshire and Humberside | East Midlands | East Anglia | South East | South West | West Midlands |
|---|---|---|---|---|---|---|---|---|
| | | DPBH | DPBI | DPBJ | DPBK | DPBL | DPBM | DPBN |
| 1981 | 1 | 11.4 | 8.5 | 7.1 | 5.9 | 4.9 | 6.3 | 9.2 |
| | 2 | 12.1 | 9.3 | 7.7 | 6.5 | 5.6 | 6.9 | 10.3 |
| | 3 | 12.6 | 9.7 | 8.0 | 6.8 | 6.1 | 7.2 | 11.0 |
| | 4 | 13.1 | 10.1 | 8.3 | 7.1 | 6.4 | 7.5 | 11.5 |
| 1982 | 1 | 13.3 | 10.4 | 8.5 | 7.4 | 6.6 | 7.7 | 11.9 |
| | 2 | 13.6 | 10.6 | 8.6 | 7.5 | 6.8 | 7.9 | 12.1 |
| | 3 | 14.1 | 10.9 | 9.0 | 7.8 | 7.1 | 8.1 | 12.5 |
| | 4 | 14.4 | 11.4 | 9.3 | 8.2 | 7.3 | 8.4 | 12.8 |
| 1983 | 1 | 14.9 | 11.7 | 9.7 | 8.2 | 7.5 | 8.6 | 13.2 |
| | 2 | 15.3 | 11.9 | 9.9 | 8.3 | 7.7 | 8.8 | 13.5 |
| | 3 | 15.3 | 12.0 | 10.0 | 8.4 | 7.8 | 9.0 | 13.5 |
| | 4 | 15.5 | 11.9 | 10.1 | 8.4 | 7.9 | 9.1 | 13.3 |
| 1984 | 1 | 15.7 | 12.0 | 10.2 | 8.2 | 7.8 | 9.0 | 13.3 |
| | 2 | 16.0 | 12.1 | 10.3 | 8.2 | 7.9 | 9.1 | 13.3 |
| | 3 | 16.2 | 12.3 | 10.5 | 8.3 | 8.1 | 9.3 | 13.4 |
| | 4 | 16.5 | 12.5 | 10.7 | 8.4 | 8.2 | 9.5 | 13.6 |
| 1985 | 1 | 16.3 | 12.5 | 10.8 | 8.3 | 8.2 | 9.7 | 13.5 |
| | 2 | 16.4 | 12.6 | 10.8 | 8.5 | 8.3 | 9.8 | 13.5 |
| | 3 | 16.4 | 12.6 | 10.8 | 8.5 | 8.3 | 9.8 | 13.5 |
| | 4 | 16.3 | 12.7 | 10.8 | 8.6 | 8.3 | 9.8 | 13.4 |
| 1986 | 1 | 16.7 | 13.1 | 10.9 | 8.8 | 8.4 | 10.0 | 13.5 |
| | 2 | 16.5 | 13.3 | 11.0 | 8.9 | 8.6 | 10.1 | 13.6 |
| | 3 | 16.3 | 13.3 | 11.1 | 9.0 | 8.6 | 10.2 | 13.6 |
| | 4 | 16.3 | 13.3 | 11.1 | 8.9 | 8.4 | 10.1 | 13.5 |

| | | North West | Wales | Scotland | Great Britain | Northern Ireland | United Kingdom |
|---|---|---|---|---|---|---|---|
| | | DPBO | DPBP | DPBQ | DPAJ | DPBR | BCJE |
| 1981 | 2 | 10.5 | 10.7 | 10.3 | 8.2 | 13.0 | 8.3† |
| | 3 | 11.2 | 11.3 | 10.9 | 8.7 | 13.2 | 8.8 |
| | 4 | 11.6 | 11.6 | 11.2 | 9.1 | 13.5 | 9.2 |
| 1982 | 1 | 11.9 | 12.0 | 11.4 | 9.3 | 14.0 | 9.4 |
| | 2 | 12.3 | 12.2 | 11.5 | 9.5 | 14.5 | 9.7 |
| | 3 | 12.7 | 12.6 | 11.8 | 9.8 | 14.8 | 10.0 |
| | 4 | 13.0 | 12.9 | 12.1 | 10.1 | 15.4 | 10.3 |
| 1983 | 1 | 13.3 | 13.0 | 12.3 | 10.4 | 15.7 | 10.4 |
| | 2 | 13.6 | 13.2 | 12.5 | 10.6 | 16.1 | 10.7 |
| | 3 | 13.7 | 13.2 | 12.6 | 10.7 | 16.5 | 10.8 |
| | 4 | 13.8 | 13.2 | 12.7 | 10.8 | 16.6 | 10.8 |
| 1984 | 1 | 13.8 | 13.2 | 12.8 | 10.7 | 16.7 | 10.9 |
| | 2 | 13.8 | 13.3 | 12.8 | 10.8 | 16.8 | 11.0 |
| | 3 | 13.9 | 13.6 | 13.0 | 11.0 | 16.8 | 11.1 |
| | 4 | 14.0 | 13.9 | 13.1 | 11.1 | 16.7 | 11.3 |
| 1985 | 1 | 13.9 | 13.8 | 13.0 | 11.1 | 16.7 | 11.2 |
| | 2 | 14.0 | 14.0 | 13.3 | 11.2 | 16.9 | 11.3 |
| | 3 | 14.0 | 14.0 | 13.2 | 11.2 | 17.2 | 11.3 |
| | 4 | 13.9 | 13.9 | 13.3 | 11.2 | 17.4 | 11.3 |
| 1986 | 1 | 14.0 | 14.2 | 13.4 | 11.3 | 17.9 | 11.5 |
| | 2 | 14.1 | 14.2 | 13.5 | 11.4 | 18.5 | 11.6 |
| | 3 | 14.1 | 14.0 | 13.7 | 11.5 | 18.9 | 11.7 |
| | 4 | 14.0 | 13.9 | 13.8† | 11.4 | 19.1 | 11.4 |
| 1987 | 1 | | | | | | 11.1 |

1 Excluding school-leavers.
2 The seasonally adjusted series have been revised to allow for all discontinuties,to be consistent with the current coverage.
3 See footnote 5 on page 36.

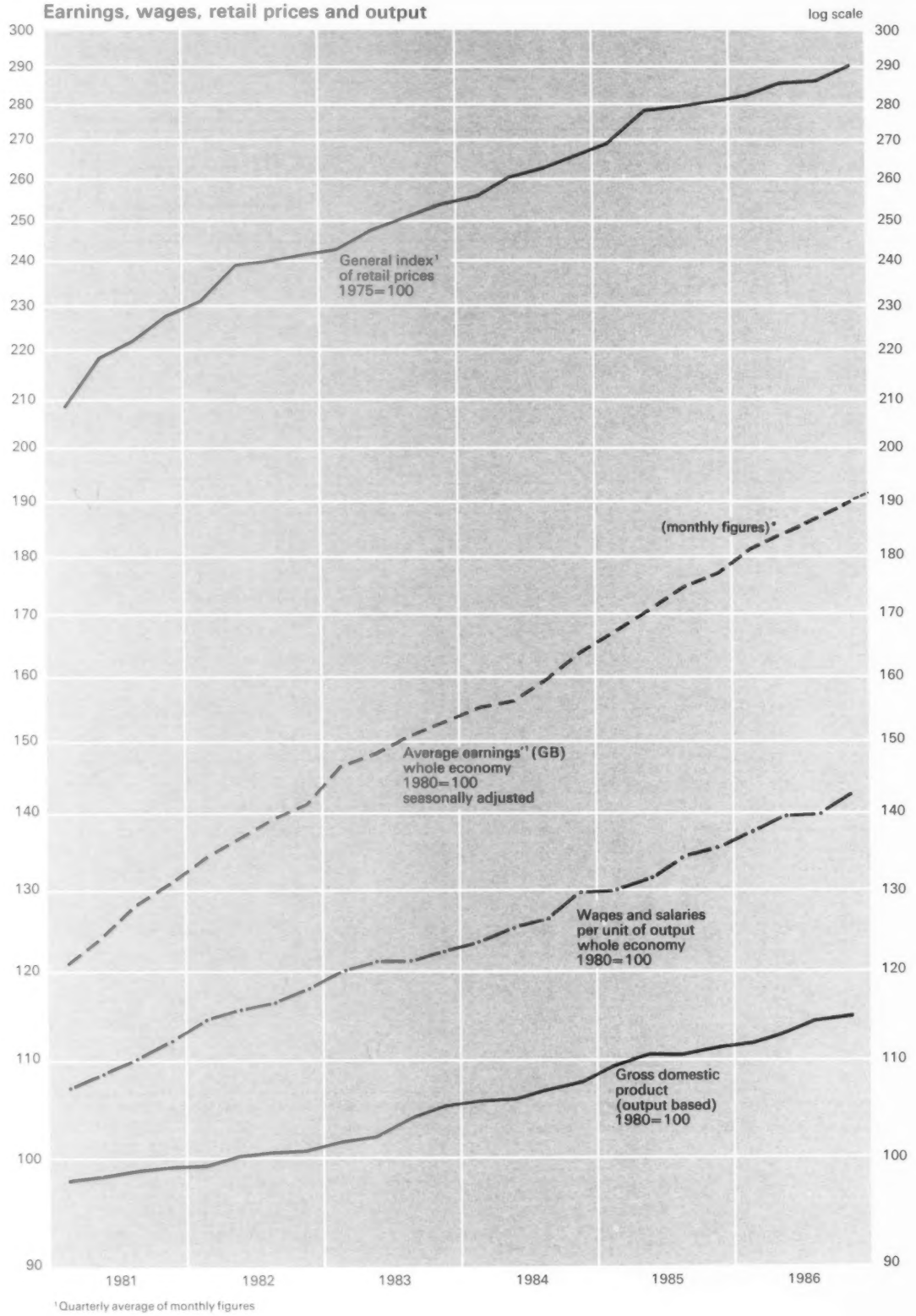

Regional unemployment rates
Percentage rates seasonally adjusted
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
0
Northern Ireland
North
North West
Wales
West Midlands
Scotland
Yorkshire & Humberside
United Kingdom
East Midlands
South West
East Anglia
South East
1981
1982
1983
1984
1985
1986

## Average earnings

| | | January 1980 = 100 | | | | | | | | | 1980 = 100 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Average earnings (GB)(1) | | | | | | | | | Wages and salaries per unit of output | |
| | | Whole economy | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Production industries (3) | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Manufacturing industry(3) | Percentage increase on year earlier | Underlying % change over previous 12 months(2) | Whole economy(4) | Manufacturing industry |
| | | DNAA | DNDZ | | DNAE | DNED | | DNAC | DNEH | | DJDO | DMBG |
| 1979 | | .. | .. | | .. | .. | | .. | .. | | 81.7 | 81.7 |
| 1980 | | 111.4 | .. | | 109.4 | .. | | 109.1 | .. | | 100.0 | 100.0 |
| 1981 | | 125.8 | 12.9 | | 124.1 | 13.5 | | 123.6 | 13.3 | | 109.7 | 109.3 |
| 1982 | | 137.6 | 9.4 | | 138.2 | 11.4 | | 137.4 | 11.2 | | 116.1 | 114.0 |
| 1983 | | 149.2 | 8.4 | | 150.0 | 8.6 | | 149.7 | 9.0 | | 121.3 | 114.5 |
| 1984 | | 158.3 | 6.1 | | 158.5 | 5.7 | | 162.8 | 8.7 | | 126.3 | 118.0 |
| 1985 | | 171.7 | 8.5 | | 176.2 | 11.2 | | 177.6 | 9.2 | | 132.9 | 124.7 |
| 1986 | | 185.3 | 7.9 | | 190.8 | 8.3 | | 191.2 | 7.7 | | 140.0 | 131.0† |
| Seasonally adjusted | | | | | | | | | | | | |
| | | DNAB | DNEA | | DNAF | DNEE | | DNAD | DNEI | | | |
| 1983 | 3 | 150.4 | 8.2 | | 151.4 | 8.7 | | 151.0 | 9.0 | | 121.0 | 114.1 |
| | 4 | 152.5 | 8.0 | | 155.3 | 8.9 | | 155.5 | 9.7 | | 122.4 | 115.2 |
| 1984 | 1 | 154.9 | 8.1 | | 155.8 | 7.4 | | 158.3 | 9.5 | | 123.6 | 116.3 |
| | 2 | 155.9 | 5.4 | | 155.1 | 4.5 | | 160.0 | 8.1 | | 125.2 | 116.4 |
| | 3 | 159.1 | 5.8 | | 159.2 | 5.2 | | 164.2 | 8.7 | | 126.2 | 118.3 |
| | 4 | 163.3 | 7.1 | | 163.9 | 5.5 | | 168.6 | 8.4 | | 129.7 | 121.1 |
| 1985 | 1 | 166.8 | 7.7 | | 168.6 | 8.2 | | 172.5 | 9.0 | | 129.9 | 121.7 |
| | 2 | 170.2 | 9.2 | | 174.8 | 12.7 | | 176.1 | 10.1 | | 131.4 | 122.8 |
| | 3 | 173.9 | 9.3 | | 179.1 | 12.5 | | 179.3 | 9.2 | | 134.0 | 126.1† |
| | 4 | 176.1 | 7.8 | | 182.5 | 11.3 | | 182.8 | 8.4 | | 135.6 | 128.3 |
| 1986 | 1 | 180.6 | 8.3 | | 185.8 | 10.2 | | 186.1 | 7.9 | | 137.7 | 131.3 |
| | 2 | 183.9 | 8.1 | | 188.5 | 7.8 | | 189.4 | 7.5 | | 139.4 | 131.3 |
| | 3 | 186.8 | 7.4 | | 192.1 | 7.2 | | 192.2 | 7.2 | | 139.7 | 130.5 |
| | 4 | 190.1 | 8.0 | | 197.1 | 8.0 | | 197.5 | 8.0 | | 142.6 | 131.0 |
| 1987 | 1 | | | | | | | | | | | 132.9 |
| | | | | DNEM | | | DNEN | | | DNEO | | |
| 1984 | S | 160.2 | 6.3 | 7.50 | 161.4 | 5.5 | 8.25 | 166.1 | 9.0 | 8.75 | | 118.7 |
| | O | 164.5 | 8.2 | 7.50 | 163.6 | 5.3 | 8.00 | 168.3 | 9.0 | 8.50 | | 121.4 |
| | N | 162.0 | 6.5 | 7.50 | 163.4 | 5.6 | 8.00 | 168.1 | 8.0 | 8.50 | | 121.0 |
| | D | 163.5 | 6.6 | 7.50 | 164.7 | 5.7 | 8.00 | 169.5 | 8.2 | 8.50 | | 120.8 |
| 1985 | J | 165.5 | 7.0 | 7.50 | 167.1 | 7.1 | 8.25 | 171.7 | 9.4 | 8.50 | | 121.6 |
| | F | 166.5 | 7.0 | 7.50 | 167.6 | 6.2 | 8.25 | 172.0 | 8.4 | 8.50 | | 121.8 |
| | M | 168.3 | 9.0 | 7.50 | 171.0 | 11.3 | 8.25 | 173.8 | 9.2 | 8.75 | | 121.8 |
| | A | 170.6 | 9.5 | 7.50 | 175.5 | 13.6 | 8.25 | 177.6 | 11.3 | 8.75 | | 124.1 |
| | M | 169.7 | 8.8 | 7.50 | 173.2 | 12.0 | 8.50 | 174.4 | 9.3 | 9.00 | | 121.8 |
| | J | 170.2 | 9.1 | 7.50 | 175.6 | 12.5 | 8.50 | 176.2 | 9.4 | 9.00 | | 122.6 |
| | J | 172.2 | 8.8 | 7.50 | 177.8 | 12.8 | 8.75 | 178.3 | 9.5 | 9.00 | | 125.7† |
| | A | 173.1 | 8.9 | 7.50 | 177.8 | 12.0 | 8.75 | 178.1 | 8.8 | 9.00 | | 124.8 |
| | S | 176.4 | 10.1 | 7.75 | 181.7 | 12.6 | 8.75 | 181.5 | 9.3 | 9.00 | | 127.8 |
| | O | 174.3 | 8.0 | 7.50 | 180.8 | 10.5 | 8.75 | 180.9 | 7.5 | 8.75 | | 127.4 |
| | N | 175.9 | 8.6 | 7.50 | 182.4 | 11.6 | 8.75 | 182.9 | 8.8 | 8.75 | | 128.4 |
| | D | 178.1 | 8.9 | 7.50 | 184.2 | 11.8 | 8.75 | 184.7 | 9.0 | 8.75 | | 129.0 |
| 1986 | J | 179.1 | 8.2 | 7.50 | 185.5 | 11.0 | 8.75 | 185.5 | 8.0 | 8.50 | | 131.5 |
| | F | 180.0 | 8.1 | 7.50 | 185.9 | 10.9 | 8.50 | 186.0 | 8.1 | 8.25 | | 130.9 |
| | M | 182.6 | 8.5 | 7.50 | 188.0 | 8.8 | 8.25 | 186.9 | 7.5 | 8.00 | | 131.5 |
| | A | 185.3 | 8.6 | 7.50 | 189.9 | 8.2 | 8.25 | 191.1 | 7.6 | 7.75 | | 132.6 |
| | M | 182.6 | 7.6 | 7.50 | 188.6 | 7.7 | 8.25 | 187.1 | 7.3 | 7.75 | | 130.1 |
| | J | 183.9 | 8.0 | 7.50 | 188.8 | 7.5 | 8.00 | 189.8 | 7.7 | 7.75 | | 131.2 |
| | J | 186.3 | 8.2 | 7.50 | 189.9 | 6.8 | 8.00 | 190.5 | 6.8 | 7.75 | | 129.6 |
| | A | 187.0 | 8.0 | 7.50 | 192.1 | 8.0 | 7.75 | 191.9 | 7.7 | 7.75 | | 130.8 |
| | S | 187.1 | 6.1 | 7.50 | 193.9 | 6.7 | 7.75 | 194.0 | 6.9 | 7.75 | | 131.0 |
| | O | 188.7 | 8.3 | 7.50 | 195.2 | 8.0 | 7.75 | 195.2 | 7.9 | 7.75 | | 130.1 |
| | N | 190.2 | 8.1 | 7.75 | 196.6 | 7.8 | 8.00 | 197.1 | 7.8 | 7.75 | | 130.7 |
| | D | 191.3 | 7.4 | 7.75 | 199.6 | 8.4 | 8.00 | 200.0 | 8.3 | 8.00 | | 132.3 |
| 1987 | J | 192.8 | 7.6 | 7.50 | 199.9 | 7.8 | 7.75 | 200.0 | 7.8 | 7.75 | | 134.5 |
| | F | 193.4 | 7.4 | 7.50 | 200.6 | 7.9 | 8.00 | 201.0 | 8.1 | 8.00 | | 132.3 |
| | M | 194.8† | 6.7† | 7.50† | 200.0† | 7.5† | 8.00† | 201.3† | 8.1 | 8.00† | | 132.0 |

1 The seasonal adjustment factors currently used are based on data up to December 1982.
2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in Employment Gazette December 1986.
3 Revised definition.
4 The method for calculating whole economy unit wage costs has been revised. The output measure of GDP has replaced the income measure in the calculation, and an adjustment incorporated to cover the earnings of the self-employed. (See 'Employment Gazette', May 1986.)

## Earnings, wages, retail prices and output

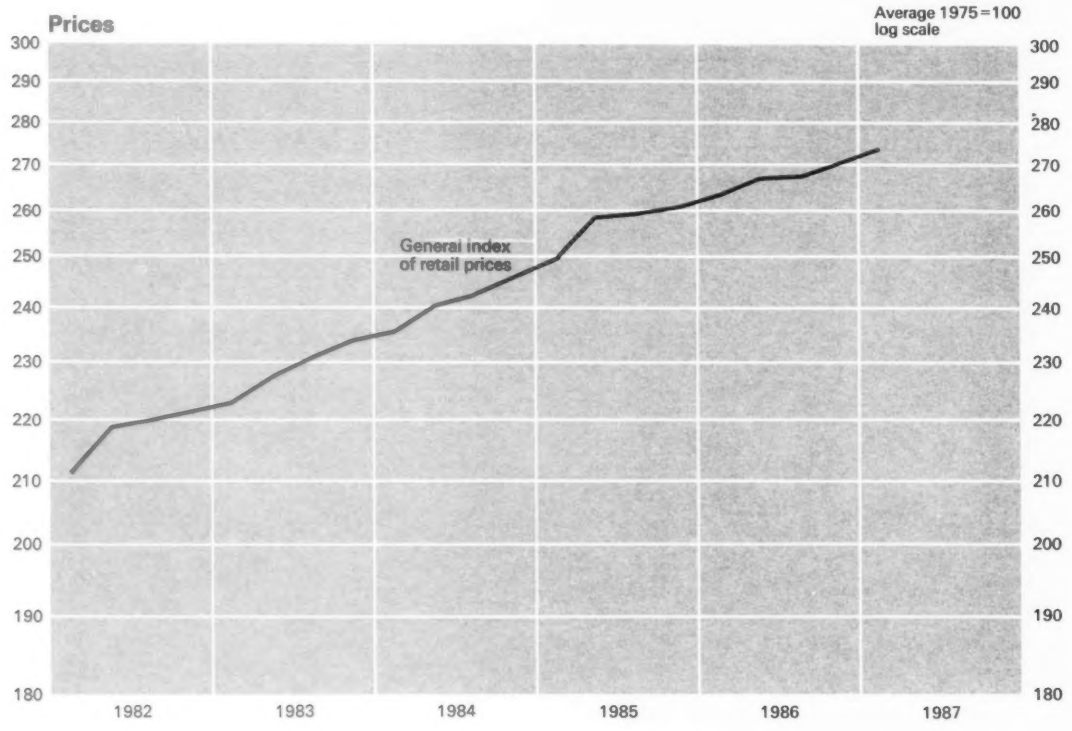


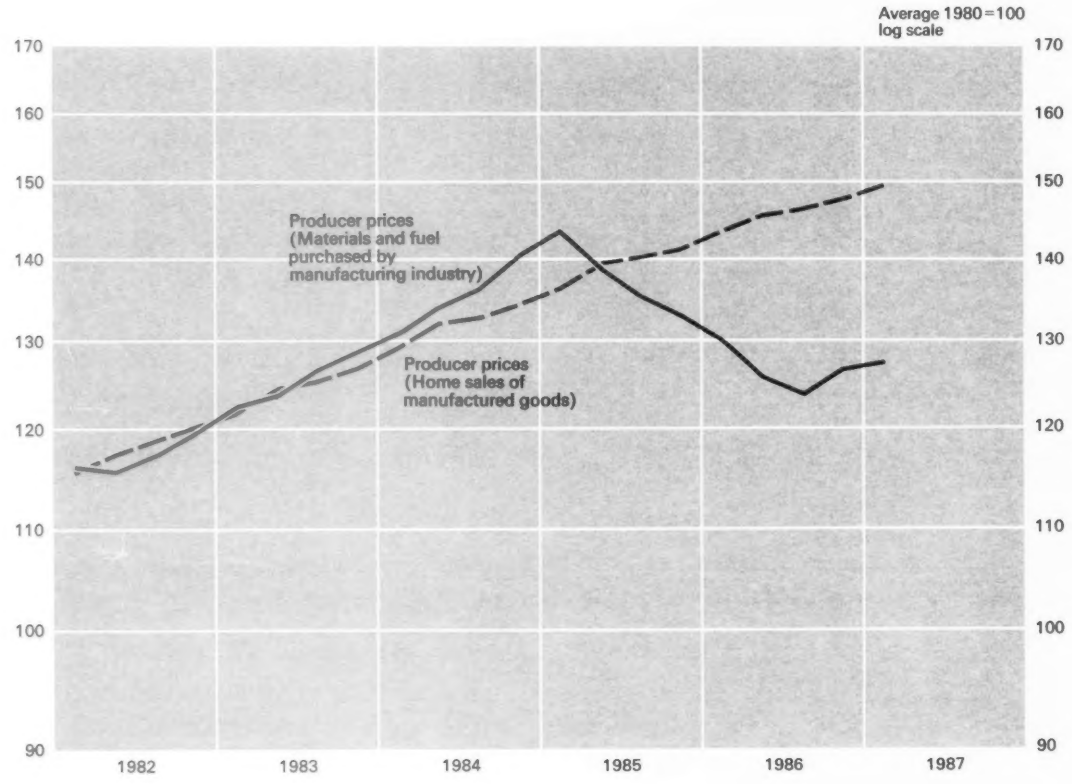

[1] Quarterly average of monthly figures

## Prices

| | | Seasonally adjusted | Unadjusted | | | | | | | | | Average 1980=100p |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Average 1980=100 | Average 1975=100(1) | | | | | | | | | |
| | | Producer price index | General index of retail prices | | | | | | | Pensioner price index(2) | | |
| | | Materials and fuel purchased by manufacturing industry | Output All manufactured products Home sales | All items Index | All items Percentage increase on year earlier | Total food | Total non-food | All items other than seasonal food Index | All items other than seasonal food Percentage increase on year earlier | One person household | Two person household | Purchasing power of the pound(3) |
| | | DZDQ | DZCV | FJAC | FJAD | FJAE | FJAF | FJAG | FJAH | FJAI | FJAJ | FJAK |
| 1978 | | 81.6 | 79.1 | 146.2 | 8.3 | 152.9 | 144.3 | 146.4 | 9.0 | 150.4 | 149.8 | 134 |
| 1979 | | 92.2 | 87.7 | 165.8 | 13.3 | 171.2 | 164.3 | 165.9 | 13.2 | 168.0 | 167.6 | 118 |
| 1980 | | 100.0 | 100.0 | 195.6 | 18.1 | 191.9 | 196.5 | 196.3 | 18.5 | 195.7 | 194.5 | 100 |
| 1981 | | 109.3 | 109.5 | 218.8 | 11.9 | 208.2 | 221.6 | 219.8 | 11.9 | 218.0 | 217.1 | 88 |
| 1982 | | 117.2 | 118.0 | 237.6 | 8.7 | 224.5 | 241.1 | 238.4 | 8.5 | 238.3 | 236.8 | 82 |
| 1983 | | 125.3 | 124.4 | 248.6 | 4.6 | 231.6 | 253.1 | 249.5 | 4.7 | 249.0 | 247.6 | 79 |
| 1984 | | 135.5 | 132.1 | 260.9 | 5.0 | 244.6 | 265.2 | 261.4 | 4.7 | 261.4 | 260.3 | 75 |
| 1985 | | 137.7 | 139.4 | 276.8 | 6.1 | 252.3 | 283.2 | 277.9 | 6.3 | 274.1 | 273.0 | 71 |
| 1986 | | 126.5 | 145.7 | 286.3 | 3.4 | 260.5 | 293.0 | 287.1 | 3.3 | 283.0 | 281.7 | 68 |
| 1983 | 1 | 122.2 | 121.8 | 242.6 | 4.9 | 226.6 | 246.8 | 244.0 | 5.5 | 245.3 | 243.3 | 81 |
| | 2 | 123.6 | 124.2 | 247.5 | 3.8 | 229.8 | 252.2 | 248.6 | 4.4 | 247.6 | 246.3 | 79 |
| | 3 | 126.7 | 125.1 | 250.7 | 4.6 | 232.8 | 255.5 | 251.6 | 4.4 | 249.6 | 248.4 | 78 |
| | 4 | 128.7 | 126.8 | 253.5 | 5.0 | 237.3 | 257.7 | 253.9 | 4.4 | 253.6 | 252.4 | 77 |
| 1984 | 1 | 131.0 | 129.0 | 255.1 | 5.1 | 241.3 | 258.7 | 255.2 | 4.6 | 256.8 | 255.4 | 77 |
| | 2 | 134.1 | 132.0 | 260.3 | 5.1 | 246.9 | 263.8 | 260.0 | 4.6 | 261.9 | 261.1 | 75 |
| | 3 | 136.3 | 132.8 | 262.5 | 4.7 | 245.1 | 267.2 | 263.3 | 4.8 | 262.1 | 261.0 | 74 |
| | 4 | 140.6 | 134.5 | 265.8 | 4.8 | 245.2 | 271.2 | 267.0 | 5.2 | 264.8 | 263.8 | 74 |
| 1985 | 1 | 143.7 | 136.6 | 269.2 | 5.5 | 249.7 | 274.3 | 270.0 | 5.8 | 269.0 | 268.0 | 73 |
| | 2 | 138.7 | 139.4 | 278.4 | 7.0 | 254.6 | 284.6 | 279.0 | 7.3 | 275.1 | 274.1 | 70 |
| | 3 | 135.4 | 140.2 | 279.1 | 6.3 | 251.6 | 286.4 | 280.7 | 6.6 | 275.0 | 273.9 | 70 |
| | 4 | 133.0 | 141.4 | 280.5 | 5.5 | 253.1 | 287.7 | 281.9 | 5.6 | 277.4 | 276.2 | 70 |
| 1986 | 1 | 130.0 | 143.4 | 282.5 | 4.9 | 257.6 | 289.0 | 283.4 | 5.0 | 280.3 | 278.9 | 69 |
| | 2 | 125.9 | 145.7 | 286.1 | 2.8 | 262.2 | 292.4 | 286.6 | 2.7 | 283.6 | 282.0 | 68 |
| | 3 | 123.5 | 146.3 | 286.5 | 2.6 | 261.1 | 293.1 | 287.4 | 2.4 | 283.4 | 282.2 | 68 |
| | 4 | 126.7 | 147.4 | 290.1 | 3.4 | 261.3 | 297.6 | 291.2 | 3.3 | 284.7 | 283.8 | 67 |
| 1987 | 1 | 127.3 | 149.3 | 293.7 | 3.8 | 266.9 | 300.5 | 294.3 | 3.8 | 287.2† | 286.3† | 67 |
| 1985 | A | 140.1 | 139.1 | 277.3 | 6.9 | 254.2 | 283.4 | 277.9 | 7.3 | .. | .. | 71 |
| | M | 138.6 | 139.5 | 278.6 | 7.0 | 254.5 | 284.9 | 279.3 | 7.4 | .. | .. | 70 |
| | J | 137.4 | 139.8 | 279.2 | 7.0 | 255.1 | 285.5 | 279.9 | 7.3 | .. | .. | 70 |
| | J | 135.8 | 139.9 | 278.7 | 6.9 | 251.5 | 285.8 | 280.2 | 7.3 | .. | .. | 70 |
| | A | 135.4 | 140.1 | 279.4 | 6.2 | 251.5 | 286.8 | 281.1 | 6.5 | .. | .. | 70 |
| | S | 135.1 | 140.5 | 279.3 | 5.9 | 251.9 | 286.5 | 280.9 | 6.0 | .. | .. | 70 |
| | O | 133.6 | 140.8 | 279.7 | 5.4 | 251.7 | 287.1 | 281.3 | 5.6 | .. | .. | 70 |
| | N | 133.1 | 141.5 | 280.7 | 5.5 | 253.1 | 287.9 | 282.1 | 5.5 | .. | .. | 70 |
| | D | 132.2 | 141.9 | 281.0 | 5.7 | 254.6 | 288.0 | 282.2 | 5.6 | .. | .. | 70 |
| 1986 | J | 131.6 | 142.7 | 281.6 | 5.5 | 255.9 | 288.4 | 282.7 | 5.6 | .. | .. | 69 |
| | F | 130.2 | 143.3 | 282.7 | 5.1 | 257.8 | 289.3 | 283.7 | 5.1 | .. | .. | 69 |
| | M | 128.2 | 144.3 | 283.1 | 4.2 | 259.0 | 289.4 | 283.8 | 4.2 | .. | .. | 69 |
| | A | 125.6 | 145.4 | 285.8 | 3.0 | 260.6 | 292.4 | 286.5 | 3.1 | .. | .. | 68 |
| | M | 126.6 | 145.9 | 286.4 | 2.8 | 262.4 | 292.5 | 286.7 | 2.7 | .. | .. | 68 |
| | J | 125.4 | 145.8 | 286.2 | 2.5 | 263.6 | 292.2 | 286.5 | 2.4 | .. | .. | 68 |
| | J | 122.2 | 146.0 | 285.4 | 2.4 | 260.6 | 291.9 | 286.3 | 2.2 | .. | .. | 69 |
| | A | 123.4 | 146.3 | 286.3 | 2.5 | 261.5 | 292.8 | 287.1 | 2.1 | .. | .. | 68 |
| | S | 125.0 | 146.7 | 287.7 | 3.0 | 261.3 | 294.5 | 288.7 | 2.8 | .. | .. | 68 |
| | O | 126.4 | 147.0 | 288.1 | 3.0 | 260.8 | 295.3 | 289.3 | 2.8 | .. | .. | 68 |
| | N | 127.1 | 147.4 | 290.6 | 3.5 | 260.7 | 298.4 | 291.7 | 3.4 | .. | .. | 67 |
| | D | 126.6 | 147.9 | 291.5 | 3.7 | 262.4 | 299.1 | 292.6 | 3.7 | .. | .. | 67 |
| 1987 | J | 127.2 | 148.9 | 292.7 | 3.9 | 265.6 | 299.8 | 293.4 | 3.8 | .. | .. | 67 |
| | F | 127.2 | 149.3 | 293.9 | 3.9 | 267.5 | 300.0 | 294.3 | 3.7 | .. | .. | 67 |
| | M | 127.6† | 149.7 | 294.5 | 4.0 | 267.5 | 301.6 | 295.2 | 4.0 | .. | .. | 66 |
| | A | 128.6 | 150.5† | 298.0† | 4.3† | 269.8† | 305.2† | 298.1† | 4.0† | .. | .. | 66† |

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 All items except housing.
3 Movements in the purchasing power of the pound are based on movements in the general index of retail prices.

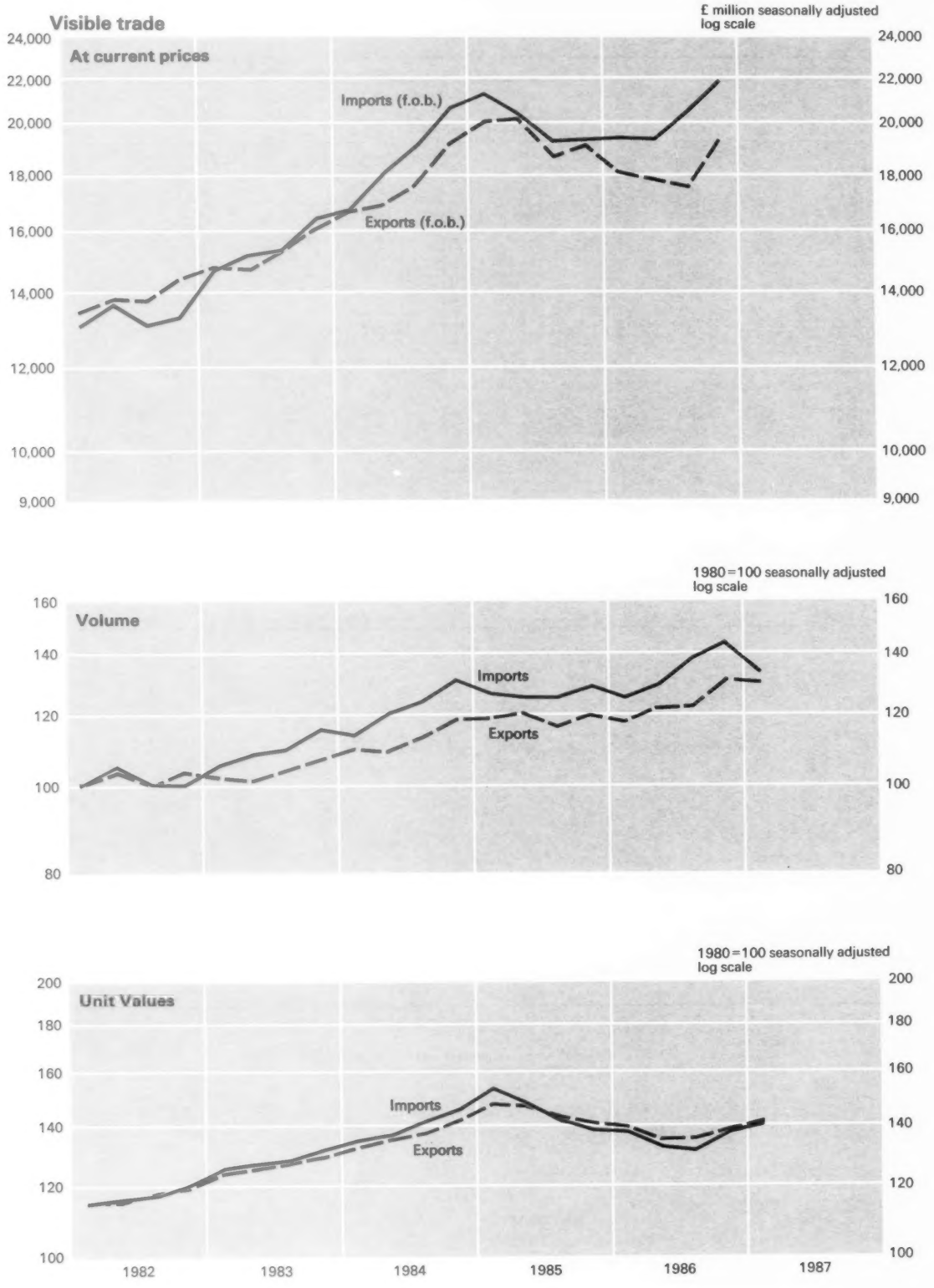

Prices
Average 1975=100
log scale
300
290
280
270
260
250
240
230
220
210
200
190
180
General index
of retail prices
1982
1983
1984
1985
1986
1987


Average 1980=100
log scale
170
160
150
140
130
120
110
100
90
Producer prices
(Materials and fuel
purchased by
manufacturing industry)
Producer prices
(Home sales of
manufactured goods)
1982
1983
1984
1985
1986
1987

## Visible trade

| | | Seasonally adjusted | | Unadjusted | | |
|---|---|---|---|---|---|---|
| | | 1980=100 | | 1980=100 | | |
| | | Volume indices(1) | | Unit value indices(1) | | |
| | | Exports | Imports | Exports | Imports | Terms of trade(2) |
| | | CGTR | CGTS | CGTQ | CGTP | CGTQ |
| 1976 | | 85.4 | 89.6 | 69.8 | 70.9 | 85.7 |
| 1977 | | 92.1 | 91.3 | 72.0 | 82.1 | 87.7 |
| 1978 | | 94.5 | 95.5 | 79.1 | 85.2 | 92.7 |
| 1979 | | 99.1 | 105.7 | 87.8 | 90.9 | 96.4 |
| 1980 | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1981 | | 99.3 | 96.3 | 108.8 | 108.2 | 100.5 |
| 1982 | | 101.9 | 101.5 | 116.2 | 116.7 | 99.6 |
| 1983 | | 103.8 | 109.7 | 125.7 | 127.5 | 98.6 |
| 1984 | | 112.5 | 121.8 | 136.0 | 139.7 | 97.4 |
| 1985 | | 118.7 | 126.0 | 143.5 | 145.2 | 98.8 |
| 1986 | | 123.1 | 133.9 | 136.6 | 134.0 | 101.9 |
| 1984 | 1 | 109.5 | 113.6 | 131.4 | 133.9 | 98.2 |
| | 2 | 109.0 | 120.2 | 134.3 | 137.6 | 97.6 |
| | 3 | 112.8 | 123.6 | 137.1 | 141.4 | 96.9 |
| | 4 | 118.6 | 130.0 | 141.3 | 145.8 | 96.9 |
| 1985 | 1 | 118.7 | 126.3 | 146.4 | 152.3 | 96.1 |
| | 2 | 120.2 | 125.0 | 145.5 | 148.7 | 97.8 |
| | 3 | 116.2 | 124.8 | 141.7 | 141.4 | 100.2 |
| | 4 | 119.6 | 128.0 | 140.5 | 138.3 | 101.6 |
| 1986 | 1 | 117.5 | 124.9 | 139.0 | 137.6 | 101.0 |
| | 2 | 121.9 | 128.8 | 134.8 | 131.5 | 102.6 |
| | 3 | 122.6 | 138.5 | 134.3 | 130.2 | 103.1 |
| | 4 | 130.5 | 143.4 | 138.1 | 137.0 | 100.8 |
| 1987 | 1 | 129.7† | 132.8† | 140.7† | 140.0† | 100.5† |
| 1984 | A | 105.1 | 119.5 | 133.1 | 137.1 | 97.1 |
| | M | 109.5 | 121.1 | 134.2 | 138.0 | 97.2 |
| | J | 112.3 | 120.0 | 135.5 | 137.8 | 98.3 |
| | J | 107.5 | 114.0 | 135.3 | 140.0 | 96.6 |
| | A | 116.2 | 127.2 | 138.0 | 141.5 | 97.6 |
| | S | 114.6 | 129.6 | 137.9 | 142.8 | 96.5 |
| | O | 117.8 | 134.1 | 140.3 | 144.5 | 97.1 |
| | N | 119.4 | 125.0 | 141.2 | 146.1 | 96.6 |
| | D | 118.9 | 130.9 | 142.4 | 146.8 | 97.0 |
| 1985 | J | 119.2 | 123.8 | 143.8 | 149.1 | 96.5 |
| | F | 119.2 | 125.6 | 146.6 | 153.2 | 95.7 |
| | M | 117.7 | 129.5 | 148.7 | 154.7 | 96.1 |
| | A | 121.4 | 126.8 | 147.1 | 151.8 | 96.9 |
| | M | 121.0 | 122.2 | 145.3 | 148.2 | 98.0 |
| | J | 118.1 | 125.9 | 144.0 | 146.0 | 98.6 |
| | J | 117.4 | 127.1 | 142.1 | 143.5 | 99.1 |
| | A | 114.8 | 122.4 | 141.4 | 140.2 | 100.8 |
| | S | 116.4 | 125.0 | 141.4 | 140.5 | 100.7 |
| | O | 119.8 | 126.8 | 140.5 | 139.1 | 101.0 |
| | N | 119.1 | 131.6 | 140.4 | 137.5 | 102.1 |
| | D | 120.0 | 125.6 | 140.5 | 138.1 | 101.7 |
| 1986 | J | 117.8 | 121.6 | 140.7 | 138.3 | 101.8 |
| | F | 120.4 | 124.7 | 138.7 | 137.8 | 100.7 |
| | M | 114.3 | 128.4 | 137.5 | 136.6 | 100.6 |
| | A | 123.6 | 124.2 | 135.3 | 132.9 | 101.8 |
| | M | 120.6 | 131.1 | 134.3 | 131.5 | 102.2 |
| | J | 121.6 | 131.2 | 134.9 | 130.1 | 103.7 |
| | J | 125.7 | 136.2 | 133.3 | 129.0 | 103.4 |
| | A | 115.9 | 135.9 | 134.3 | 129.4 | 103.8 |
| | S | 126.2 | 139.3 | 135.3 | 132.2 | 102.3 |
| | O | 127.0 | 139.6 | 137.6 | 135.6 | 101.5 |
| | N | 132.8 | 146.7 | 138.1 | 136.8 | 100.9 |
| | D | 131.6 | 143.9 | 138.7 | 138.5 | 100.1 |
| 1987 | J | 125.0 | 130.9 | 140.4 | 140.1 | 100.2 |
| | F | 137.8 | 137.5 | 140.8 | 140.3† | 100.4† |
| | M | 126.3† | 129.8† | 141.0† | 139.8 | 100.8 |

1 On a balance of payments basis.
2 Unit value index for exports expressed as a percentage of unit value index for imports.


Visible trade
£ million seasonally adjusted
log scale
At current prices
Imports (f.o.b.)
Exports (f.o.b.)
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
9,000
Volume
1980=100 seasonally adjusted
log scale
Imports
Exports
160
140
120
100
80
Unit Values
1980=100 seasonally adjusted
log scale
Imports
Exports
200
180
160
140
120
100
1982
1983
1984
1985
1986
1987

## Measures of UK competitiveness in trade in manufactures

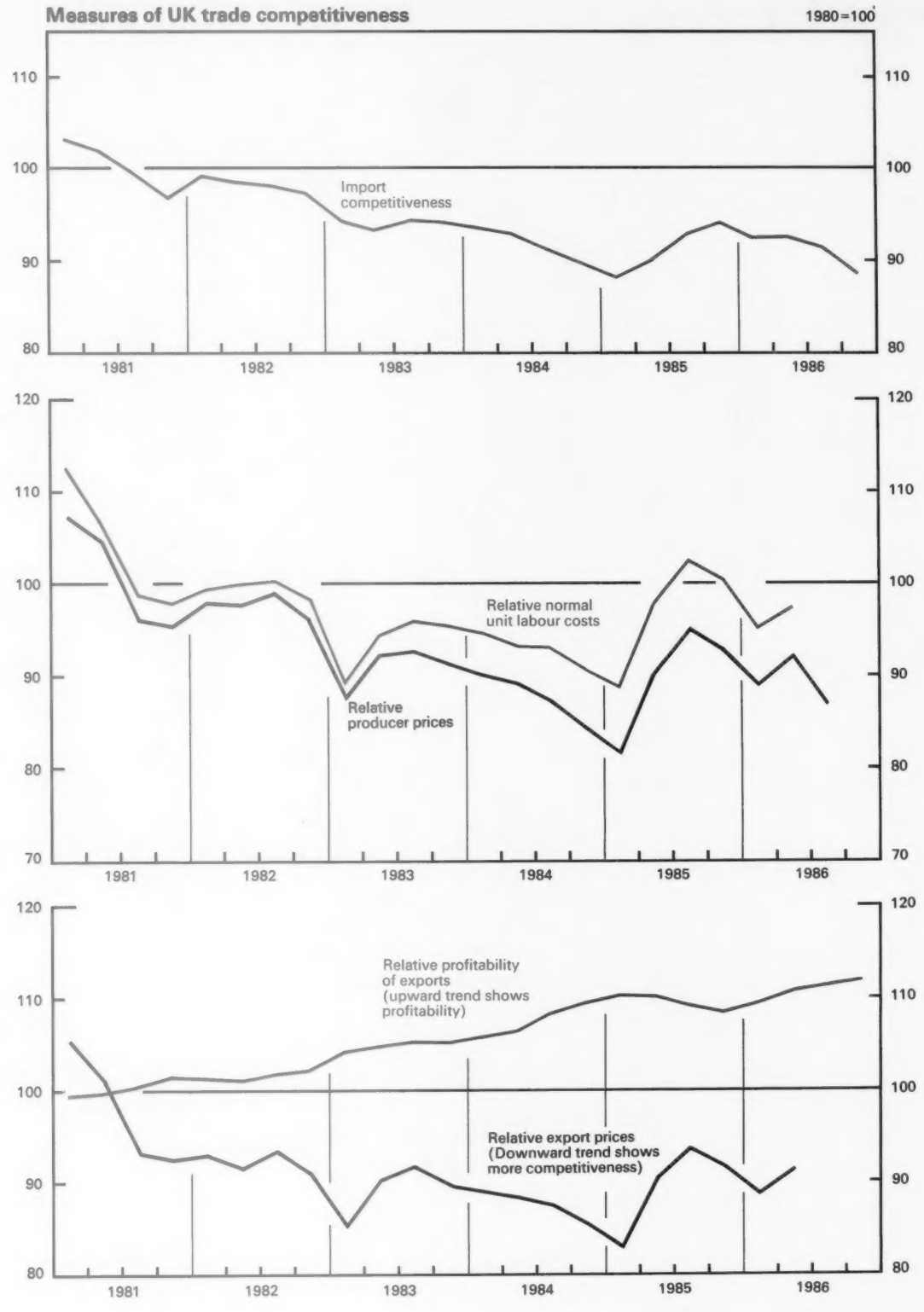
1980 = 100

| | | Summary measures(1) | | | | | | Export unit value index(2) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Relative export prices(3) | Relative producer prices(3) | IMF index of relative unit labour costs(2) Actual | IMF index of relative unit labour costs(2) Normalised | Import price competitiveness(4) | Relative profitability of exports(4) | United Kingdom | United States | Japan | France | Federal Republic of Germany |
| | | FLAA | FLAB | FLAC | FLAD | FLAE | FLAF | FLAG | FLAH | FLAI | FLAJ | FLAK |
| 1983 | | 89.2 | 91.0 | 86.6 | 95.7 | 94.3 | 105.0 | 81.0 | 120 | 97 | 79 | 82 |
| 1984 | | 87.6 | 87.7 | 84.3 | 93.7 | 92.0 | 107.8 | 77.1 | 121 | 97 | 78 | 74 |
| 1985 | | 89.7 | 90.0 | 86.7† | 97.0† | 91.8 | 109.7 | 79.7 | 124 | 95 | 81 | 75 |
| 1986 | | 87.8† | 87.7† | 83.1 | 93.5 | 91.4 | 111.1 | 92.8 | 128 | | | |
| 1985 | 1 | 82.9† | 81.6 | 78.5† | 88.6† | 88.7 | 110.5 | 68.7 | 124 | 91 | 72 | 67 |
| | 2 | 90.5 | 90.5 | 86.7 | 97.3 | 90.5 | 110.3 | 77.8 | 125 | 94 | 77 | 71 |
| | 3 | 93.7 | 95.0 | 91.6 | 102.2 | 93.4 | 109.4 | 84.5 | 124 | 95 | 84 | 78 |
| | 4 | 91.7 | 92.8 | 90.0 | 99.9 | 94.6 | 108.7 | 87.6 | 124 | 103 | 90 | 85 |
| 1986 | 1 | 88.6 | 89.0 | 85.8 | 94.4 | 92.7 | 109.8 | 89.5 | 125 | 109 | 97 | 93 |
| | 2 | 91.4 | 92.1† | 87.3 | 97.6 | 92.8 | 110.9 | 94.7 | 127 | 116 | 98 | 96 |
| | 3 | 87.2 | 86.9 | 81.4 | 92.6 | 91.5 | 111.5 | 94.4 | 129 | 119 | 104 | 103 |
| | 4 | 84.2 | 82.8 | 77.8 | 89.4 | 88.8 | 112.2† | 92.5 | 130 | | | |
| 1987 | 1 | | | | | 88.8† | 111.9 | 100.9† | | | | |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | | |
| 1985 | 1 | -6.9 | -9.4 | -9.1 | -7.5 | -5.5 | +4.2 | -14.0 | +2 | -9 | -9 | -13 |
| | 2 | +2.3 | +1.5 | +3.0 | +3.6 | -2.8 | +3.5 | -2.2 | +2 | -6 | -5 | -7 |
| | 3 | +6.8 | +8.9 | +8.8 | +9.0 | +2.2 | +0.6 | +11.0 | +2 | -1 | +9 | +8 |
| | 4 | +7.6 | +10.0 | +9.4 | +9.7 | +5.2 | -1.0 | +20.4 | +2 | -10 | +20 | +20 |
| 1986 | 1 | +6.9 | +9.1 | +9.3 | +6.5 | +4.6 | -0.6 | +30.3 | +1 | +20 | +35 | +39 |
| | 2 | +1.0 | +1.8 | +0.7 | +0.3 | +2.5 | +0.5 | +21.7 | +2 | +23 | +27 | +35 |
| | 3 | -6.9 | -8.5 | -11.1 | -9.4 | -2.1 | +1.9 | +11.7 | +4 | +25 | +24 | +32 |
| | 4 | -8.2 | -10.8 | -13.6 | -10.5 | -6.1 | +3.2 | +5.6 | +5 | | | |
| 1987 | 1 | | | | | -4.2 | +1.9 | +12.7 | | | | |

| | | Producer price index(2) | | | | | Unit labour costs index(2) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | United Kingdom | United States | Japan | France | Federal Republic of Germany | United Kingdom(5) | United States | Japan | France | Federal Republic of Germany |
| | | FLAL | FLAM | FLAN | FLAO | FLAP | FLAQ | FLAR | FLAS | FLAT | FLAU |
| 1983 | | 81.1 | 113.1 | 95.5 | 76.2 | 82.6 | 75 | 111 | 107 | 74 | 77 |
| 1984 | | 75.8 | 115.9 | 95.6 | 71.4 | 76.2 | 68 | 109 | 103 | 68 | 69 |
| 1985 | | 77.8 | 116.4 | 94.6 | 74.2 | 75.8 | 69 | 111 | 104 | 68 | 67 |
| 1986 | | 91.7† | 113.8† | 124.4† | 96.4† | 99.2† | 83 | 111 | | 86† | 94† |
| 1985 | 1 | 85.5 | 116.1 | 88.4 | 85.2 | 87.8 | 58 | 111 | 95 | 61 | 60 |
| | 2 | 75.3 | 116.5 | 90.2 | 70.3 | 71.8 | 66 | 110 | 97 | 64 | 63 |
| | 3 | 82.9 | 116.1 | 93.8 | 76.6 | 77.8 | 74 | 111 | 103 | 69 | 68 |
| | 4 | 87.3 | 116.7 | 106.1 | 84.7 | 85.6 | 79 | 112 | 122 | 76 | 76 |
| 1986 | 1 | 88.7 | 115.1 | 115.0 | 92.0 | 93.4 | 81 | 112 | 135 | 84 | 85 |
| | 2 | 94.4 | 113.4† | 123.9 | 93.2 | 96.1 | 85 | 112 | 149 | 84 | 89 |
| | 3 | 93.6 | 113.2 | 132.2 | 98.4 | 102.4 | 84 | 111 | 163 | 88† | 98 |
| | 4 | 90.0† | 113.6 | 126.3† | 101.9† | 104.8† | 81 | 111 | | 90 | 102† |
| | | Percentage change, quarter on corresponding quarter of previous year | | | | | | | | | |
| 1985 | 1 | -17.6 | +0.8 | -9.7 | -10.8 | -14.5 | -19 | +3 | -11 | -12 | -19 |
| | 2 | -4.9 | +0.3 | -8.4 | -5.4 | -9.9 | -5 | +2 | -9 | -10 | -13 |
| | 3 | +12.0 | +0.1 | +0.4 | +9.4 | +4.7 | +13 | +2 | +3 | +5 | +3 |
| | 4 | +24.2 | +0.5 | +14.8 | +24.2 | +19.6 | +25 | +2 | +24 | +18 | +20 |
| 1986 | 1 | +35.4 | -0.9 | +30.1 | +41.1 | +37.8 | +39 | +1 | +42 | +37 | +43 |
| | 2 | +25.4 | -2.7 | +37.4 | +32.6 | +33.8 | +28 | +2 | +54 | +31 | +41 |
| | 3 | +12.9 | -2.5 | +40.9 | +28.5 | +31.6 | +13 | - | +59 | +27 | +43 |
| | 4 | +3.1 | -2.7 | +19.0 | +20.3 | +22.5 | +3 | -1 | | +18 | +35 |

1 The summary measures of competitiveness were described in Economic Trends No 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in Economic Trends No 319, May 1980 - see footnote 3.
2 All the indices are in terms of US dollars.
3 Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
4 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
5 See footnote 4 on page 40.

**Measures of UK trade competitiveness**

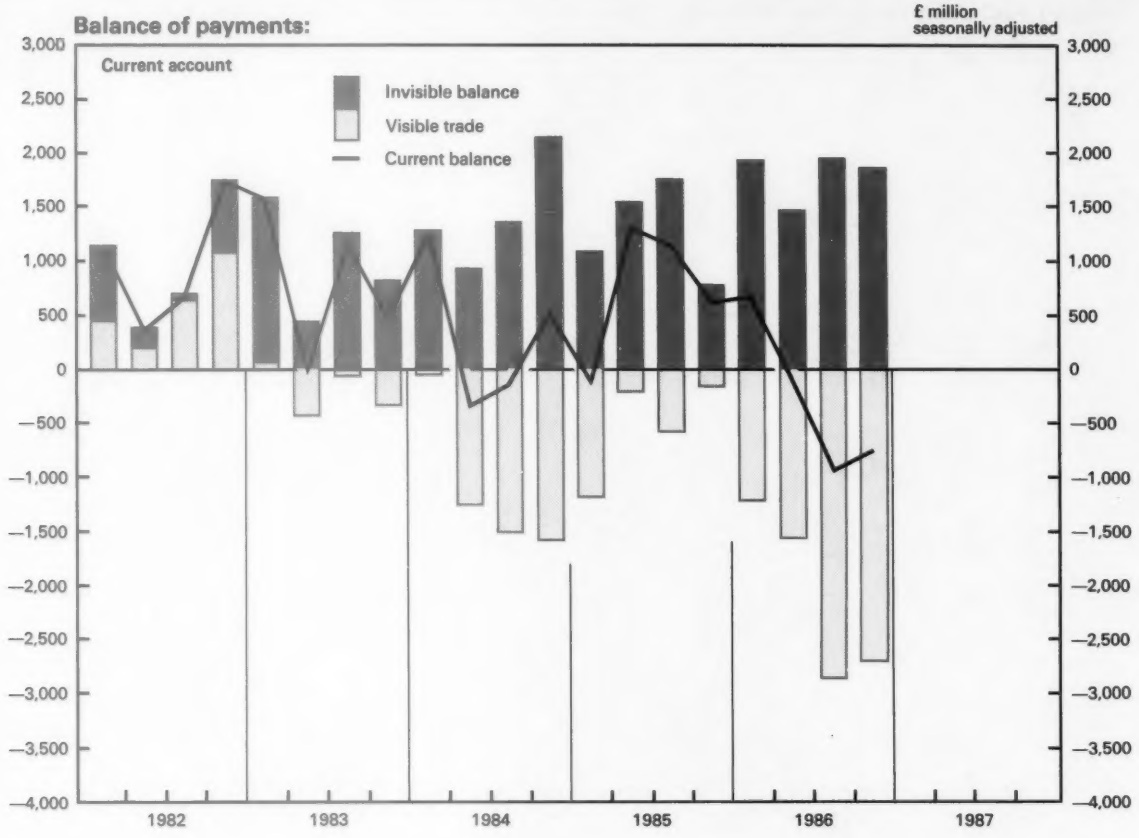


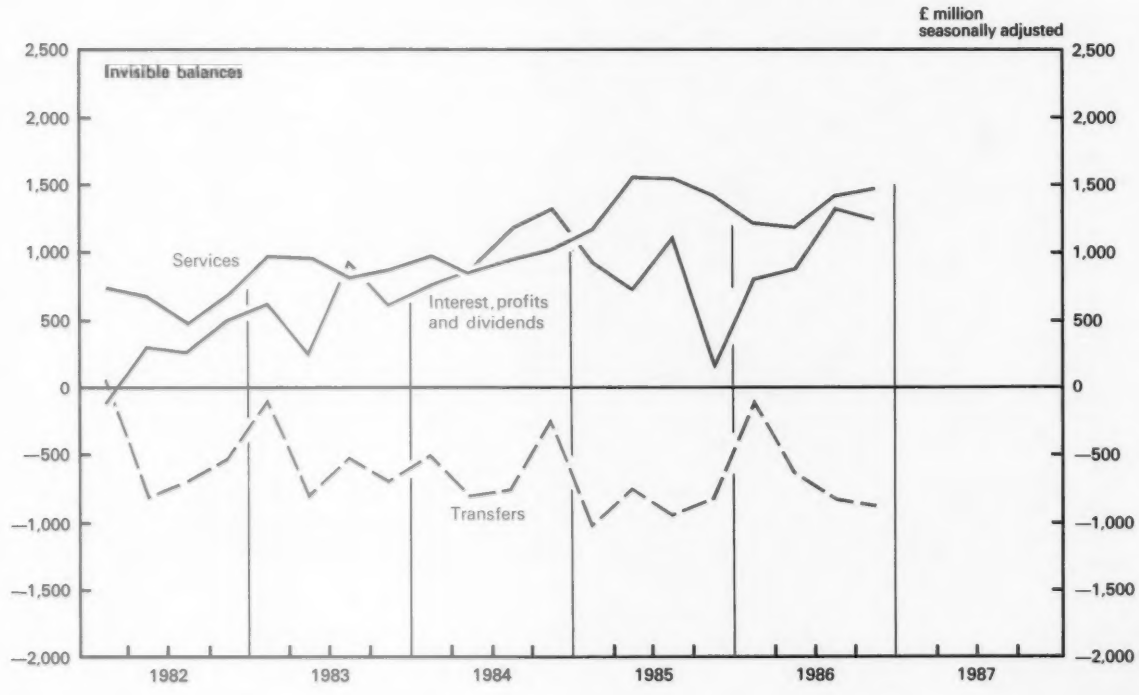
## Balance of payments: current account

£ million, seasonally adjusted

| | | Visible trade | | | Invisibles | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Balances | | | |
| | | Exports (f.o.b.) | Imports (f.o.b.) | Balance | Credits | Debits | Total(1) | Services | IPD | Transfers | Current balance |
| | | CGKG | CGHK | AIMA | CGKR | CGHT | AIMB | AIMC | AIMD | AIME | AIMF |
| 1976 | | 25 191 | 29 120 | -3 929 | 19 188 | 16 179 | 3 009 | 2 245 | 1 550 | -786 | -920 |
| 1977 | | 31 728 | 34 012 | -2 284 | 21 326 | 19 178 | 2 148 | 3 038 | 238 | -1 128 | -136 |
| 1978 | | 35 063 | 36 605 | -1 542 | 24 848 | 22 341 | 2 507 | 3 478 | 820 | -1 791 | 965 |
| 1979 | | 40 687 | 44 136 | -3 449 | 33 224 | 30 492 | 2 732 | 3 818 | 1 193 | -2 279 | -717 |
| 1980 | | 47 422 | 46 061 | 1 361 | 41 008 | 39 440 | 1 568 | 3 868 | -222 | -2 078 | 2 929 |
| 1981 | | 50 977 | 47 617 | 3 360 | 56 635 | 53 836 | 2 799 | 3 826 | 949 | -1 976 | 6 159 |
| 1982 | | 55 565 | 53 234 | 2 331 | 64 593 | 62 988 | 1 605 | 2 607 | 959 | -1 961 | 3 936 |
| 1983 | | 60 776 | 61 611 | -835 | 65 225 | 61 255 | 3 970 | 3 654 | 2 420 | -2 104 | 3 135 |
| 1984 | | 70 367 | 74 751 | -4 384 | 76 872 | 71 206 | 5 666 | 3 837 | 4 145 | -2 316 | 1 282 |
| 1985 | | 78 111 | 80 289 | -2 178 | 80 167 | 75 043 | 5 124 | 5 708 | 2 937 | -3 521 | 2 946 |
| 1986 | | 72 842 | 81 096 | -8 254 | 75 880 | 68 726 | 7 154 | 5 319 | 4 258 | -2 421 | -1 100 |
| 1982 | 2 | 13 857 | 13 660 | 197 | 16 039 | 15 860 | 179 | 681 | 305 | -807 | 376 |
| | 3 | 13 803 | 13 182 | 621 | 15 993 | 15 929 | 64 | 486 | 278 | -700 | 685 |
| | 4 | 14 424 | 13 353 | 1 071 | 16 678 | 16 010 | 668 | 691 | 504 | -527 | 1 739 |
| 1983 | 1 | 14 682 | 14 613 | 69 | 17 374 | 15 864 | 1 510 | 978 | 621 | -89 | 1 579 |
| | 2 | 14 745 | 15 210 | -465 | 15 411 | 14 995 | 416 | 974 | 246 | -804 | -49 |
| | 3 | 15 290 | 15 376 | -86 | 15 975 | 14 736 | 1 239 | 818 | 942 | -521 | 1 153 |
| | 4 | 16 059 | 16 412 | -353 | 16 465 | 15 660 | 805 | 884 | 611 | -690 | 452 |
| 1984 | 1 | 16 693 | 16 706 | -13 | 17 767 | 16 505 | 1 262 | 985 | 782 | -505 | 1 249 |
| | 2 | 16 855 | 18 124 | -1 269 | 17 841 | 16 915 | 926 | 865 | 872 | -811 | -343 |
| | 3 | 17 628 | 19 144 | -1 516 | 19 618 | 18 260 | 1 358 | 953 | 1 166 | -761 | -158 |
| | 4 | 19 191 | 20 777 | -1 586 | 21 646 | 19 526 | 2 120 | 1 034 | 1 325 | -239 | 534 |
| 1985 | 1 | 20 081 | 21 279 | -1 198 | 21 657 | 20 574 | 1 083 | 1 174 | 931 | -1 022 | -115 |
| | 2 | 20 192 | 20 404 | -212 | 20 228 | 18 714 | 1 514 | 1 565 | 708 | -759 | 1 302 |
| | 3 | 18 703 | 19 299 | -596 | 19 383 | 17 640 | 1 743 | 1 555 | 1 121 | -933 | 1 147 |
| | 4 | 19 135 | 19 307 | -172 | 18 899 | 18 115 | 784 | 1 414 | 177 | -807 | 612 |
| 1986 | 1 | 18 164 | 19 391 | -1 227 | 18 921 | 17 012 | 1 909 | 1 210 | 804 | -105 | 682 |
| | 2 | 17 786 | 19 337 | -1 551 | 18 356 | 16 899 | 1 457 | 1 197 | 880 | -620 | -94 |
| | 3 | 17 553 | 20 426 | -2 873 | 19 212 | 17 270 | 1 942 | 1 432 | 1 330 | -820 | -931 |
| | 4 | 19 339 | 21 942 | -2 603 | 19 391 | 17 545 | 1 846 | 1 480 | 1 242 | -876 | -757 |
| 1987 | 1 | 19 534† | 20 710† | -1 175† | | | 1 800† | | | | 625† |
| 1985 | M | 6 761 | 7 393 | -632 | .. | .. | 385 | .. | .. | .. | -247 |
| | A | 6 921 | 7 029 | -108 | .. | .. | 505 | .. | .. | .. | 397 |
| | M | 6 775 | 6 644 | 132 | .. | .. | 504 | .. | .. | .. | 636 |
| | J | 6 495 | 6 731 | -235 | .. | .. | 505 | .. | .. | .. | 270 |
| | J | 6 372 | 6 667 | -295 | .. | .. | 581 | .. | .. | .. | 287 |
| | A | 6 115 | 6 247 | -131 | .. | .. | 581 | .. | .. | .. | 450 |
| | S | 6 216 | 6 387 | -170 | .. | .. | 581 | .. | .. | .. | 411 |
| | O | 6 389 | 6 404 | -15 | .. | .. | 206 | .. | .. | .. | 191 |
| | N | 6 330 | 6 606 | -276 | .. | .. | 206 | .. | .. | .. | -70 |
| | D | 6 415 | 6 296 | 119 | .. | .. | 372 | .. | .. | .. | 491 |
| 1986 | J | 6 239 | 6 192 | 48 | .. | .. | 928 | .. | .. | .. | 976 |
| | F | 6 160 | 6 463 | -304 | .. | .. | 491 | .. | .. | .. | 187 |
| | M | 5 765 | 6 736 | -971 | .. | .. | 490 | .. | .. | .. | -481 |
| | A | 6 049 | 6 303 | -255 | .. | .. | 486 | .. | .. | .. | 231 |
| | M | 5 870 | 6 555 | -685 | .. | .. | 485 | .. | .. | .. | -200 |
| | J | 5 867 | 6 478 | -612 | .. | .. | 486 | .. | .. | .. | -126 |
| | J | 5 970 | 6 629 | -659 | .. | .. | 647 | .. | .. | .. | -12 |
| | A | 5 480 | 6 863 | -1 383 | .. | .. | 648 | .. | .. | .. | -735 |
| | S | 6 103 | 6 934 | -831 | .. | .. | 647 | .. | .. | .. | -184 |
| | O | 6 294 | 7 009 | -715 | .. | .. | 615 | .. | .. | .. | -100 |
| | N | 6 589 | 7 589 | -1 000 | .. | .. | 616 | .. | .. | .. | -384 |
| | D | 6 477 | 7 364 | -887 | .. | .. | 615 | .. | .. | .. | -272 |
| 1987 | J | 6 204 | 6 731 | -527 | .. | .. | 600 | .. | .. | .. | 73 |
| | F | 6 933 | 7 157 | -224 | .. | .. | 600 | .. | .. | .. | 376 |
| | M | 6 397† | 6 822† | -425† | .. | .. | 600† | .. | .. | .. | 175† |

1 Monthly data is one third of the appropriate calendar quarter's estimate or projection, except for European Community budget refunds received in October 1984, January and March 1985 and European Community lump sum VAT abatements received in December 1985 and January 1986.

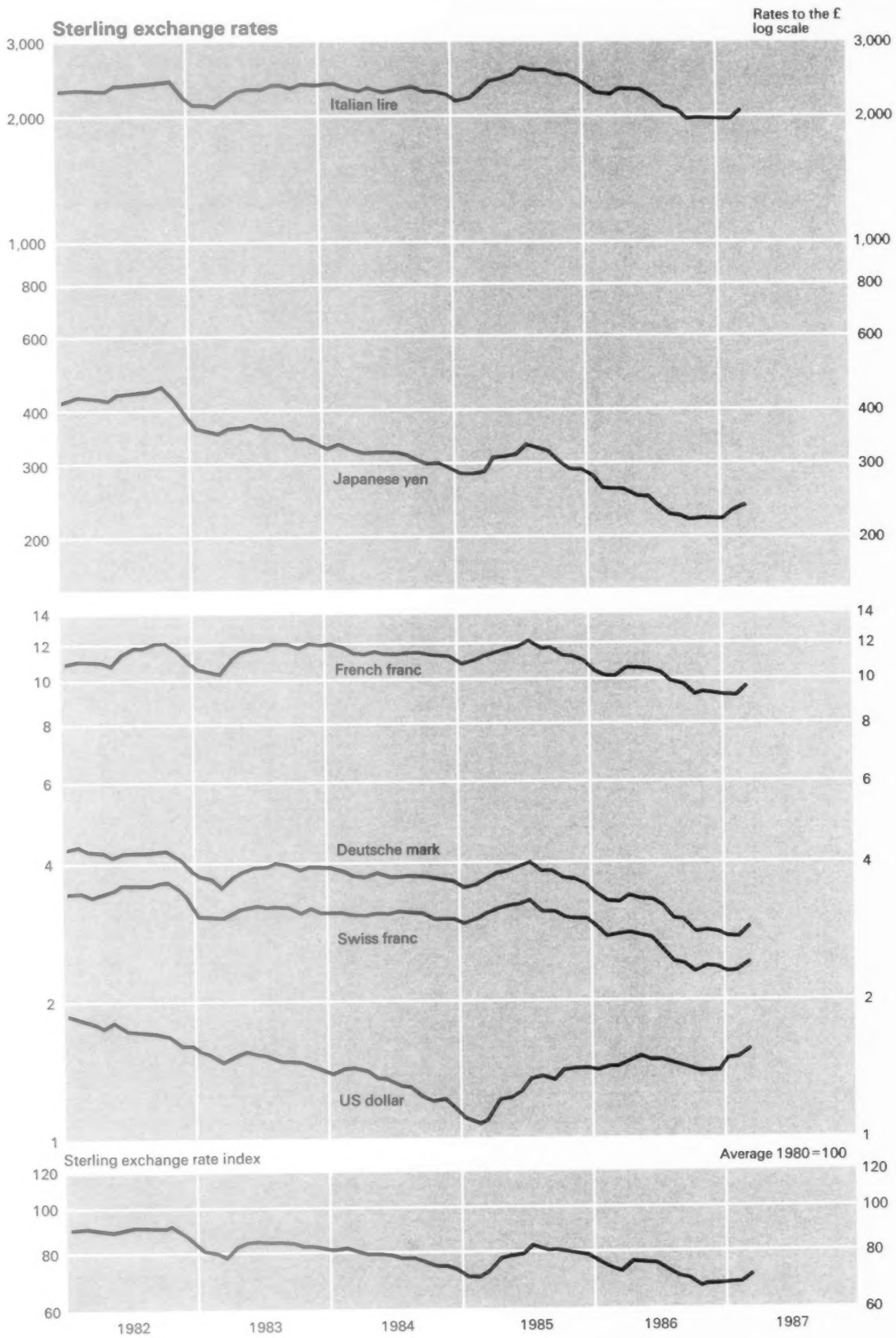

Balance of payments:
£ million
seasonally adjusted
Current account
Invisible balance
Visible trade
Current balance
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
−3,500
−4,000
1982
1983
1984
1985
1986
1987


£ million
seasonally adjusted
Invisible balances
Services
Interest, profits
and dividends
Transfers
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
1982
1983
1984
1985
1986
1987

## Sterling exchange rates and UK official reserves

| | | Sterling exchange rate against major currencies(1) | | | | | | $ million | Average 1975=100 |
|---|---|---|---|---|---|---|---|---|---|
| | | Japanese yen | US dollar | Swiss franc | French franc | Italian lira | Deutsche-mark | UK official reserves(2) at end of period | Sterling exchange rate index |
| | | AJFD | AJFA | AJFD | AJFE | AJFF | AJFH | AIPI | AJHT |
| 1978 | | 402.7 | 1.920 | 3.423 | 8.64 | 1 628 | 3.851 | 15 694 | 81.5 |
| 1979 | | 465.5 | 2.123 | 3.527 | 9.03 | 1 762 | 3.887 | 22 538 | 87.3 |
| 1980 | | 525.6 | 2.328 | 3.894 | 9.83 | 1 992 | 4.227 | 27 476 | 96.1 |
| 1981 | | 444.6 | 2.025 | 3.969 | 10.94 | 2 287 | 4.556 | 23 347 | 95.3 |
| 1982 | | 435.2 | 1.749 | 3.547 | 11.48 | 2 364 | 4.243 | 16 997 | 90.7 |
| 1983 | | 359.9 | 1.516 | 3.182 | 11.55 | 2 302 | 3.870 | 17 817 | 83.3 |
| 1984 | | 316.8 | 1.336 | 3.130 | 11.63 | 2 339 | 3.791 | 15 694 | 78.8 |
| 1985 | | 307.1 | 1.298 | 3.155 | 11.55 | 2 463 | 3.784 | 15 543 | 78.7 |
| 1986 | | 246.8 | 1.467 | 2.635 | 10.16 | 2 186 | 3.183 | 21 923 | 72.9 |
| 1983 | 1 | 360.8 | 1.532 | 3.085 | 10.55 | 2 144 | 3.688 | 17 337 | 80.6 |
| | 2 | 369.1 | 1.554 | 3.225 | 11.61 | 2 295 | 3.863 | 17 711 | 84.3 |
| | 3 | 365.8 | 1.509 | 3.242 | 12.02 | 2 375 | 3.989 | 17 902 | 84.9 |
| | 4 | 344.1 | 1.470 | 3.173 | 12.00† | 2 387 | 3.935 | 17 817 | 83.2 |
| 1984 | 1 | 331.1 | 1.435 | 3.157 | 11.91 | 2 385 | 3.876 | 16 749 | 81.7 |
| | 2 | 320.7 | 1.397 | 3.135 | 11.62 | 2 339 | 3.784 | 15 505 | 79.8 |
| | 3 | 315.9 | 1.298 | 3.166 | 11.62† | 2 334 | 3.787 | 15 260 | 78.0 |
| | 4 | 299.2 | 1.216 | 3.060 | 11.39 | 2 298 | 3.716 | 15 694 | 75.1 |
| 1985 | 1 | 287.1 | 1.115 | 3.070 | 11.09 | 2 255 | 3.629 | 13 528 | 72.1 |
| | 2 | 315.2 | 1.258 | 3.255 | 11.83 | 2 474 | 3.878 | 14 318 | 78.9 |
| | 3 | 328.0 | 1.376 | 3.231 | 11.94 | 2 603 | 3.917 | 14 176 | 82.1 |
| | 4 | 297.3 | 1.436 | 3.063 | 11.32 | 2 513 | 3.708 | 15 543 | 79.8 |
| 1986 | 1 | 270.2 | 1.440 | 2.845 | 10.37 | 2 300 | 3.378 | 18 750 | 75.1 |
| | 2 | 256.3 | 1.509 | 2.813 | 10.77 | 2 322 | 3.386 | 19 188 | 76.1 |
| | 3 | 232.1 | 1.489 | 2.512 | 10.09 | 2 138 | 3.106 | 22 426 | 71.9 |
| | 4 | 229.5 | 1.430 | 2.380 | 9.40† | 1 987 | 2.868 | 21 923 | 68.3 |
| 1984 | J | 321.5 | 1.377 | 3.142 | 11.59 | 2 333 | 3.772 | 15 505 | 79.4 |
| | J | 320.8 | 1.321 | 3.181 | 11.55 | 2 311 | 3.761 | 15 374 | 78.4 |
| | A | 318.3 | 1.314 | 3.176 | 11.64 | 2 338 | 3.791 | 15 347 | 78.4 |
| | S | 308.8 | 1.259 | 3.142 | 11.69 | 2 352 | 3.808 | 15 260 | 77.3 |
| | O | 301.1 | 1.220 | 3.079 | 11.48 | 2 317 | 3.744 | 15 353 | 75.6 |
| | N | 302.2 | 1.242 | 3.061 | 11.40 | 2 309 | 3.714 | 15 496 | 75.7 |
| | D | 294.3 | 1.187 | 3.040 | 11.29 | 2 270 | 3.689 | 15 694 | 74.0 |
| 1985 | J | 286.8 | 1.129 | 2.999 | 10.95 | 2 199 | 3.577 | 15 521 | 71.5 |
| | F | 284.7 | 1.093 | 3.064 | 11.02 | 2 229 | 3.608 | 15 353 | 71.3 |
| | M | 289.8 | 1.123 | 3.146 | 11.31 | 2 336 | 3.701 | 13 528 | 73.4 |
| | A | 312.3 | 1.242 | 3.210 | 11.69 | 2 446 | 3.830 | 14 025 | 78.0 |
| | M | 314.6 | 1.250 | 3.264 | 11.84 | 2 476 | 3.882 | 13 978 | 78.8 |
| | J | 318.7 | 1.281 | 3.292 | 11.96 | 2 502 | 3.923 | 14 318 | 79.9 |
| | J | 332.6 | 1.378 | 3.323 | 12.21 | 2 620 | 4.014 | 14 256 | 83.3 |
| | A | 328.4 | 1.383 | 3.185 | 11.81 | 2 591 | 3.865 | 14 256 | 81.7 |
| | S | 322.8 | 1.365 | 3.185 | 11.81 | 2 597 | 3.871 | 14 176 | 81.4 |
| | O | 305.2 | 1.422 | 3.082 | 11.46 | 2 537 | 3.758 | 16 310 | 80.4 |
| | N | 293.6 | 1.440 | 3.055 | 11.38 | 2 523 | 3.734 | 15 976 | 80.0 |
| | D | 293.2 | 1.446 | 3.043 | 11.11 | 2 478 | 3.632 | 15 543 | 79.1 |
| 1986 | J | 284.7 | 1.423 | 2.941 | 10.66 | 2 368 | 3.473 | 15 560 | 76.6 |
| | F | 263.8 | 1.430 | 2.792 | 10.23 | 2 269 | 3.335 | 15 810 | 74.2 |
| | M | 262.1 | 1.467 | 2.801 | 10.23 | 2 263 | 3.325 | 18 750 | 74.6 |
| | A | 262.2 | 1.499 | 2.846 | 10.79 | 2 332 | 3.403 | 18 987 | 76.2† |
| | M | 253.8 | 1.521 | 2.817 | 10.79 | 2 322 | 3.387 | 19 166 | 76.1 |
| | J | 252.8 | 1.509 | 2.775 | 10.74 | 2 312 | 3.369 | 19 188 | 75.9 |
| | J | 239.4 | 1.508 | 2.633 | 10.45 | 2 229 | 3.248 | 19 083 | 74.0 |
| | A | 229.2 | 1.487 | 2.470 | 9.99 | 2 111 | 3.066 | 18 924 | 71.4 |
| | S | 227.6 | 1.472 | 2.434 | 9.83 | 2 075 | 3.003 | 22 426 | 70.4 |
| | O | 223.1 | 1.428 | 2.344 | 9.38 | 1 980 | 2.861 | 21 992 | 67.8 |
| | N | 232.0 | 1.425 | 2.400 | 9.43 | 1 996 | 2.884 | 22 006 | 68.5 |
| | D | 233.2 | 1.438 | 2.395 | 9.39 | 1 984 | 2.860 | 21 923 | 68.5 |
| 1987 | J | 232.9 | 1.507 | 2.348 | 9.33 | 1 982 | 2.797 | 21 952 | 68.8 |
| | F | 234.2 | 1.527 | 2.351 | 9.28 | 1 981 | 2.785 | 22 257 | 69.0 |
| | M | 241.1† | 1.592† | 2.450† | 9.72† | 2 078† | 2.921† | 27 039† | 71.9 |
| | A | 232.9 | 1.630 | 2.436 | 9.83 | 2 106 | 2.952 | 29 807 | 72.3 |

1 Average of daily Telegraphic Transfer rates in London.
2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of Economic Trends. At end-March 1986 the valuation change increased the level of reserves by $2505 million. The effect of changes in earlier years are given in earlier editions of this table.


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
200
Italian lire
Japanese yen
14
12
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling exchange rate index
Average 1980=100
120
100
80
60
1982
1983
1984
1985
1986
1987

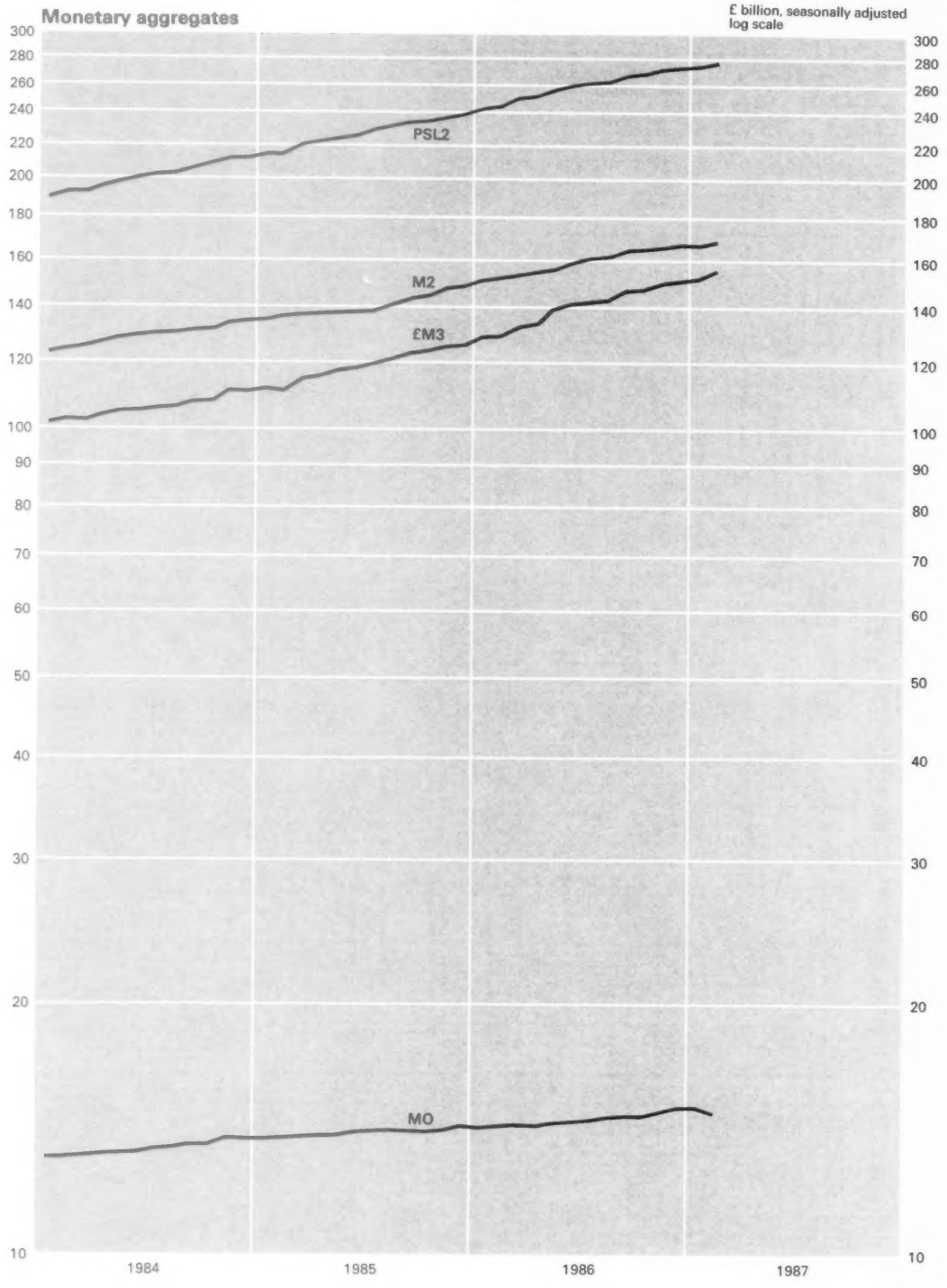
## Monetary aggregates

£ million

Seasonally adjusted

| | | 'Narrow' money | | | 'Broad money' | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | M0-the wide monetary base | | | M2- transactions balances | | | £M3(1) | | | PSL 2 (2) | | |
| | | Amount outstanding(3) | Change(3) | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change | Amount outstanding | Change | Percentage change |
| | | | | | AUYG | | | | AGCT | | AJNB | AJXB | |
| 1982 | 2 | .. | .. | .. | .. | .. | .. | 87 147 | .. | .. | .. | .. | .. |
| | 3 | .. | .. | .. | 102 659 | .. | .. | 88 681 | 1 546 | .. | .. | .. | .. |
| | 4 | .. | .. | .. | 109 316 | .. | .. | 90 795 | 2 210 | .. | .. | .. | .. |
| | | | | | | | | 95 860 | | | | | |
| 1983 | 1 | .. | .. | .. | 112 591 | .. | .. | 95 132 | 3 769 | .. | .. | .. | .. |
| | 2 | .. | .. | .. | 114 443 | .. | .. | 97 435 | 2 382 | .. | .. | .. | .. |
| | 3 | .. | .. | .. | 115 922 | .. | .. | 98 457 | 1 036 | .. | .. | .. | .. |
| | 4 | .. | .. | .. | 121 045 | .. | .. | 100 791 | 2 252 | .. | .. | .. | .. |
| 1984 | 1 | .. | .. | .. | 125 255 | .. | .. | 102 812 | 2 022 | .. | 193 140 | 5 641 | .. |
| | 2 | .. | .. | .. | 129 007 | .. | .. | 105 581 | 2 791 | .. | 200 652 | 7 557 | .. |
| | 3 | .. | .. | .. | 131 289 | .. | .. | 108 101 | 2 568 | .. | 206 316 | 5 696 | .. |
| | 4 | .. | .. | .. | 135 053 | .. | .. | 111 123 | 2 589 | .. | 212 559 | 5 779 | .. |
| 1985 | 1 | .. | .. | .. | 137 559 | .. | .. | 115 082 | 3 857 | .. | 220 308† | 7 665† | .. |
| | 2 | .. | .. | .. | 138 278 | .. | .. | 118 335 | 2 941 | .. | 226 281 | 5 673 | .. |
| | 3 | .. | .. | .. | 143 465 | .. | .. | 123 214 | 4 715 | .. | 233 588 | 7 176 | .. |
| | 4 | .. | .. | .. | 147 859 | .. | .. | 126 220 | 2 974 | .. | 239 344 | 5 665 | .. |
| 1986 | 1 | .. | .. | .. | 152 593 | .. | .. | 134 536 | 8 155 | .. | 250 433 | 10 954 | .. |
| | 2 | .. | .. | .. | 159 012 | .. | .. | 141 220 | 6 934 | .. | 260 351 | 10 133 | .. |
| | 3 | .. | .. | .. | 165 525 | .. | .. | 147 105† | 6 186† | .. | 267 672 | 7 556 | .. |
| | 4 | .. | .. | .. | 168 678 | .. | .. | 150 388 | 2 327 | .. | 274 277 | 5 002 | .. |
| 1987 | 1 | .. | .. | .. | 171 048 | .. | .. | 160 235 | 10 196 | .. | 283 792 | 10 792 | .. |
| Calendar month | | AVAE | AVAJ | FHBE | | | | | | | | | FHBD |
| 1984 | J | 13 512 | 71 | +0.5 | 129 880 | | +0.7 | 105 952 | | .. | 202 139 | 1 493 | +0.7 |
| | A | 13 528 | 16 | +0.1 | 130 244 | | +0.3 | 106 212 | | .. | 203 618 | 1 483 | +0.7 |
| | S | 13 634 | 106 | +0.8 | 131 289 | | +0.8 | 108 101 | | .. | 206 316 | 2 720 | +1.3 |
| | O | 13 645 | 11 | +0.1 | 131 951 | | +0.5 | 108 700 | | .. | 208 459 | 2 138 | +1.0 |
| | N | 13 882 | 237 | +1.7 | 134 234 | | +1.7 | 111 738 | | .. | 212 274 | 3 468 | +1.8 |
| | D | 13 834 | -48 | -0.3 | 135 053 | | +0.6 | 111 123 | | .. | 212 559 | 173 | +0.1 |
| 1985 | J | 13 828 | -6 | - | 135 624 | | +0.4 | 112 296 | | .. | 215 992† | 3 407† | +1.6 |
| | F | 13 864 | 36 | +0.3 | 136 761 | | +0.8 | 111 679 | | .. | 215 850 | -181 | -0.1 |
| | M | 13 954 | 90 | +0.6 | 137 559 | | +0.6 | 115 082 | | .. | 220 309 | 4 439 | +2.1 |
| | A | 14 019 | 65 | +0.5 | 137 772 | | +0.2 | 115 781 | | .. | 222 073 | 1 623 | +0.8 |
| | M | 14 043 | 24 | +0.2 | 138 134 | | +0.3 | 117 332 | | .. | 224 446 | 2 298 | +1.1 |
| | J | 14 133 | 90 | +0.6 | 138 278 | | +0.1 | 118 335 | | .. | 226 281 | 1 752 | +0.8 |
| | J | 14 154 | 21 | +0.1 | 138 975 | | +0.5 | 119 573 | | .. | 228 549 | 2 224 | +1.0 |
| | A | 14 167 | 13 | +0.1 | 141 022 | | +1.5 | 121 550 | | .. | 231 074 | 2 498 | +1.1 |
| | S | 14 147 | -20 | -0.1 | 143 465 | | +1.7 | 123 214 | | .. | 233 588 | 2 454 | +1.1 |
| | O | 14 139 | -8 | -0.1 | 144 332 | | +0.6 | 124 009 | | .. | 234 731 | 1 146 | +0.5 |
| | N | 14 224 | 85 | +0.6 | 147 109 | | +1.9 | 125 303 | | .. | 237 278 | 2 518 | +1.1 |
| | D | 14 412 | 188 | +1.3 | 147 859 | | +0.5 | 126 220 | | .. | 239 344 | 2 001 | +0.9 |
| 1986 | J | 14 367 | -45 | -0.3 | 149 937 | | +1.4 | 128 422 | | .. | 243 236 | 3 921 | +1.6 |
| | F | 14 387 | 20 | +0.1 | 151 164 | | +0.8 | 129 754 | | .. | 245 948 | 2 755 | +1.1 |
| | M | 14 452 | 65 | +0.5 | 152 593 | | +0.9 | 134 536 | | .. | 250 433 | 4 278 | +1.8 |
| | A | 14 409 | -43 | -0.3 | 154 261 | | +1.1 | 135 853 | | .. | 252 306 | 1 986 | +0.7 |
| | M | 14 540 | 131 | +0.9 | 155 698 | | +0.9 | 140 043 | | .. | 257 247 | 4 987 | +2.0 |
| | J | 14 592 | 52 | +0.4 | 159 012 | | +2.1 | 141 220 | | .. | 260 351 | 3 160 | +1.2 |
| | J | 14 600 | 8 | +0.1 | 161 480 | | +1.6 | 142 388† | | .. | 262 776 | 2 466 | +0.9 |
| | A | 14 742 | 142 | +1.0 | 162 233 | | +0.5 | 142 855 | | .. | 264 874 | 2 096 | +0.8 |
| | S | 14 827 | 85 | +0.6 | 165 525 | | +2.0 | 147 105 | | .. | 267 672 | 2 994 | +1.1 |
| | O | 14 826 | -1 | - | 166 139† | | +0.4 | 147 272 | | .. | 269 180 | 1 532 | +0.6† |
| | N | 14 973 | 147 | +1.0 | 167 486 | | +0.8 | 149 192 | | .. | 272 339 | 3 173 | +1.2 |
| | D | 15 188 | 215 | +1.4 | 168 678 | | +0.7 | 150 388 | | .. | 274 277 | 297 | +0.7 |
| 1987 | J | 15 104 | -84 | -0.6 | 168 329 | | -0.2 | 151 800 | | .. | 274 890 | 1 728 | +0.2 |
| | F | 14 976 | -128 | -0.8 | 169 180 | | +0.5† | 155 250 | | ..† | 278 475 | 3 578 | +1.3 |
| | M | 15 040† | 64† | +0.4† | 171 048 | | +1.1 | 160 235 | | .. | 283 792 | 5 486 | +1.9 |

1 Excluding public sector deposits (see article in Economic Trends No 384, February 1984).
2 PSL 2 has been redefined to include term shares and SAYE deposits with building societies and bank deposits with an original maturity of over two years. This series is available from the beginning of 1984.
3 The monthly figures for M0 give, in respect of the amounts outstanding, the average of the amounts outstanding on each Wednesday during the calendar month and, in respect of the change, the changes between the average amounts outstanding.

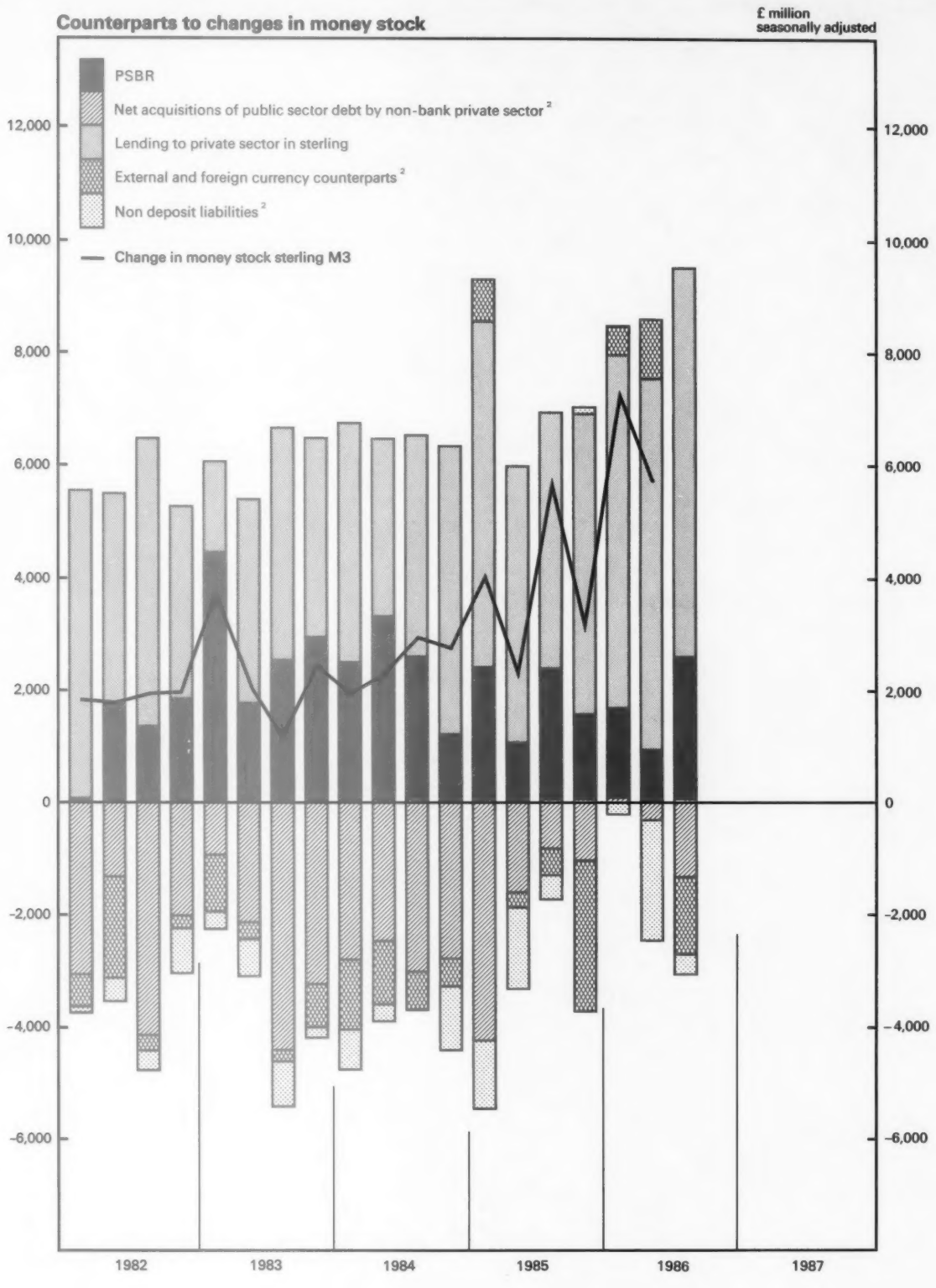

Monetary aggregates
£ billion, seasonally adjusted
log scale
300
280
260
240
220
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
PSL2
M2
£M3
M0
1984
1985
1986
1987

## Counterparts to changes in money stock

£ million, seasonally adjusted(1)

| | | Domestic counterparts | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Public sector borrowing requirement | | Net acquisition of public sector debt by UK non-bank private sector | | | | | | |
| | | Central government borrowing requirement | Other public sector contribution | Other public sector debt(2) | Central government debt | Sterling lending to UK private sector(3) | Sub-total of domestic counterparts(2) | External and foreign currency counterparts(2) | Non-deposit sterling liabilities (net)(2) | Money stock £M3 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | ABED | AAZM | AGFN | AGFD | AGFP | AGFQ | AGFR | AGGI | AGCT |
| 1984 | | 10 165 | 48 | .. | 11 269 | 16 541 | .. | .. | .. | 9 878 |
| 1985 | | 11 773 | -4 258 | .. | 9 251 | 20 968† | .. | .. | .. | 15 001 |
| 1986 | | 8 445† | -6 319† | .. | 5 953 | 30 193 | ..† | .. | .. | 22 915 |
| 1983 | 1 | 5 418 | -980 | .. | 1 137 | 1 610 | .. | .. | .. | 3 759 |
| | 2 | 3 566 | -1 801 | .. | 2 466 | 3 608 | .. | .. | .. | 2 255 |
| | 3 | 2 611 | -109 | .. | 4 658 | 4 135 | .. | .. | .. | 1 205 |
| | 4 | 2 907 | 16 | .. | 3 041 | 3 550 | .. | .. | .. | 2 259 |
| 1984 | 1 | 2 981 | -514 | .. | 2 760 | 4 272 | .. | .. | .. | 1 938 |
| | 2 | 3 310 | -28 | .. | 2 359 | 3 179 | .. | .. | .. | 2 540 |
| | 3 | 2 337 | 248 | .. | 2 953 | 3 948 | .. | .. | .. | 2 823 |
| | 4 | 1 537 | 342 | .. | 3 197 | 5 142 | .. | .. | .. | 2 577 |
| 1985 | 1 | 2 961 | -581 | .. | 4 494 | 8 179† | .. | .. | .. | 3 773 |
| | 2 | 1 115 | 79 | .. | 1 913 | 4 952 | .. | .. | .. | 2 795 |
| | 3 | 4 151 | -1 782 | .. | 1 437 | 4 511 | .. | .. | .. | 5 177 |
| | 4 | 3 546 | -1 974 | .. | 1 407 | 5 326 | .. | .. | .. | 3 256 |
| 1986 | 1 | 3 172 | -1 572 | .. | 271 | 6 270 | .. | .. | .. | 8 216 |
| | 2 | 4 693 | -3 765 | .. | 2 224 | 6 510 | .. | .. | .. | 6 181 |
| | 3 | 3 137 | -684 | .. | 1 443 | 6 899 | .. | .. | .. | 6 421 |
| | 4 | -2 557† | -298† | .. | 2 015 | 10 514 | ..† | .. | .. | 2 097 |
| 1987 | 1 | 4 010 | -2 547 | | | 8 640 | | | | - |
| Calendar month Unadjusted | | | | | | | | | | |
| | | AGEP | AGEQ | AGFA | AGER | AGES | AGET | AGEU | AGGJ | AGDT |
| 1985 | A | 910 | 128 | 57 | -1 369 | 2 575 | 2 244 | 1 421 | -410 | 3 255 |
| | M | 383 | -4 | 57 | -701 | 1 438 | 1 116 | 45 | -653 | 508 |
| | J | 761 | -21 | 58 | -273 | 1 335 | 1 802 | 853 | -8 | 2 647 |
| | J | -91 | -477 | 163 | -468 | 1 531 | 495 | -754 | -581 | -840 |
| | A | 2 090 | -382 | 163 | -562 | 1 691 | 2 857 | -929 | 281 | 2 209 |
| | S | 1 955 | -338 | 162 | -57 | 944 | 2 504 | -15 | -377 | 2 112 |
| | O | 914 | -649 | 271 | -991 | 2 222 | 1 496 | 345 | -885 | 976 |
| | N | 1 905 | -1 089 | 271 | -773 | 2 067 | 2 110 | -935 | 1 232 | 2 407 |
| | D | 118 | 449 | 271 | -280 | 2 083 | 2 370 | -1 057 | -573 | 740 |
| 1986 | J | 53 | -352 | 13 | 386 | 375 | 462 | -210 | -156 | 96 |
| | F | 684 | -239 | 13 | -488 | 1 493 | 1 450 | 707 | -917 | 1 240 |
| | M | 857 | -361 | 13 | 62 | 2 577 | 3 135 | -261 | -32 | 2 842 |
| | A | 2 675 | -1 313 | 584† | -891 | 3 024 | 3 495 | 675 | -87 | 4 083 |
| | M | 1 642 | -930 | 584 | 196 | 1 697 | 2 605 | 929 | 317 | 3 851 |
| | J | 1 796 | -568 | 583 | -1 100 | 2 093 | 2 221 | 217 | -728 | 1 710 |
| | J | 576 | -338 | 34 | -912 | 3 167 | 2 493 | -735 | -1 552 | 206 |
| | A | 1 468 | -33 | 34 | -1 494 | 2 500 | 2 441 | -975 | 234 | 1 700 |
| | S | 2 892 | -210 | 35 | -69 | 887 | 3 500 | -952 | -328 | 2 220 |
| | O | | | -30 | | | | | | |
| | N | | | 422 | | | | | | |
| | D | | | -52 | | | | | | |
| 1987 | J | | | 86 | | | | | | |
| | F | | | 179 | | | | | | |
| | M | | | 163 | | | | | | |

Relationships between columns: 6 = 1+2-3-4+5; 9 = 6+7+8 (The figures combined in the bracket are column 2 less column 3.)
1 The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.
2 Details of these series are not at present available.
3 Monetary sector lending plus Bank of England Issue Department holdings of commercial bills.


Counterparts to changes in money stock
£ million
seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector [2]
Lending to private sector in sterling
External and foreign currency counterparts [2]
Non deposit liabilities [2]
Change in money stock sterling M3
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
1982
1983
1984
1985
1986
1987

## General government receipts and expenditure (1)

£ million

| | | General government | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Receipts(2) | | Expenditure | | | | | | | |
| | | Taxes, and social security contributions | Trading income rent, royalties interest etc. | Goods and services | | Current and capital transfers | | | Net lending etc(3) | Total | Public expenditure planning total |
| | | | | Final consumption | Gross domestic capital formation | Current grants and subsidies | Capital transfers | Debt interest | | | |
| | | ABKA | ABKB | AAXI | ABKC | ABKD | AAYG | AAXL | ABAA | ABAB | ABAZ |
| 1983 | | 114 653 | 12 165 | 65 939 | 5 995 | 47 944 | 3 726 | 14 187 | 897 | 138 688 | 119 349 |
| 1984 | | 123 249 | 12 757 | 69 787 | 6 389 | 52 561 | 3 982 | 15 758 | -1 913 | 146 564 | 126 017 |
| 1985 | | 135 226 | 14 538 | 74 101 | 7 124 | 57 487 | 3 459 | 17 474 | -1 873 | 157 772 | 133 917 |
| 1986 | | 142 483 | 12 950 | 79 820 | 7 445 | 59 044 | 3 272 | 17 078 | -3 494 | 163 165 | 138 392 |
| 1983 | 4 | 30 119 | 3 016 | 16 837 | 1 396 | 12 352 | 1 067 | 3 362 | -140 | 34 874 | 31 291 |
| 1984 | 1 | 32 148 | 3 157 | 17 051 | 2 294 | 13 196 | 1 329 | 4 342 | -377 | 37 845 | 32 308 |
| | 2 | 28 096 | 3 081 | 17 101 | 1 043 | 13 153 | 850 | 3 329 | -27 | 35 449 | 30 353 |
| | 3 | 31 084 | 3 277 | 17 591 | 1 581 | 13 112 | 850 | 4 153 | -367 | 36 920 | 31 326 |
| | 4 | 31 941 | 3 242 | 18 034 | 1 471 | 13 100 | 953 | 3 934 | -1 142 | 36 350 | 32 030 |
| 1985 | 1 | 35 113 | 3 647 | 18 497 | 2 453 | 14 855 | 1 083 | 4 640 | -437 | 41 091 | 35 959 |
| | 2 | 30 756 | 3 605 | 18 359 | 1 243 | 13 969 | 683 | 3 837 | -1 604 | 36 487 | 30 365 |
| | 3 | 34 303 | 3 568 | 18 349 | 1 726 | 14 265 | 851 | 4 673 | -47 | 39 817 | 33 091 |
| | 4 | 35 054 | 3 718 | 18 896 | 1 702 | 14 398 | 842 | 4 324 | 215 | 40 377 | 34 502 |
| 1986 | 1 | 37 256 | 3 444 | 19 672 | 2 938 | 14 356 | 982 | 4 815 | -638 | 42 125 | 36 227 |
| | 2 | 33 322 | 3 119 | 19 603 | 1 214 | 14 650 | 712 | 3 749 | -1 184 | 38 744 | 32 559 |
| | 3 | 34 310 | 3 137 | 19 918 | 1 547 | 14 994 | 813 | 4 612 | 30 | 41 914 | 34 988 |
| | 4 | 37 595 | 3 250 | 20 627 | 1 746 | 15 044 | 765 | 3 902 | -1 702 | 40 382 | 34 618 |

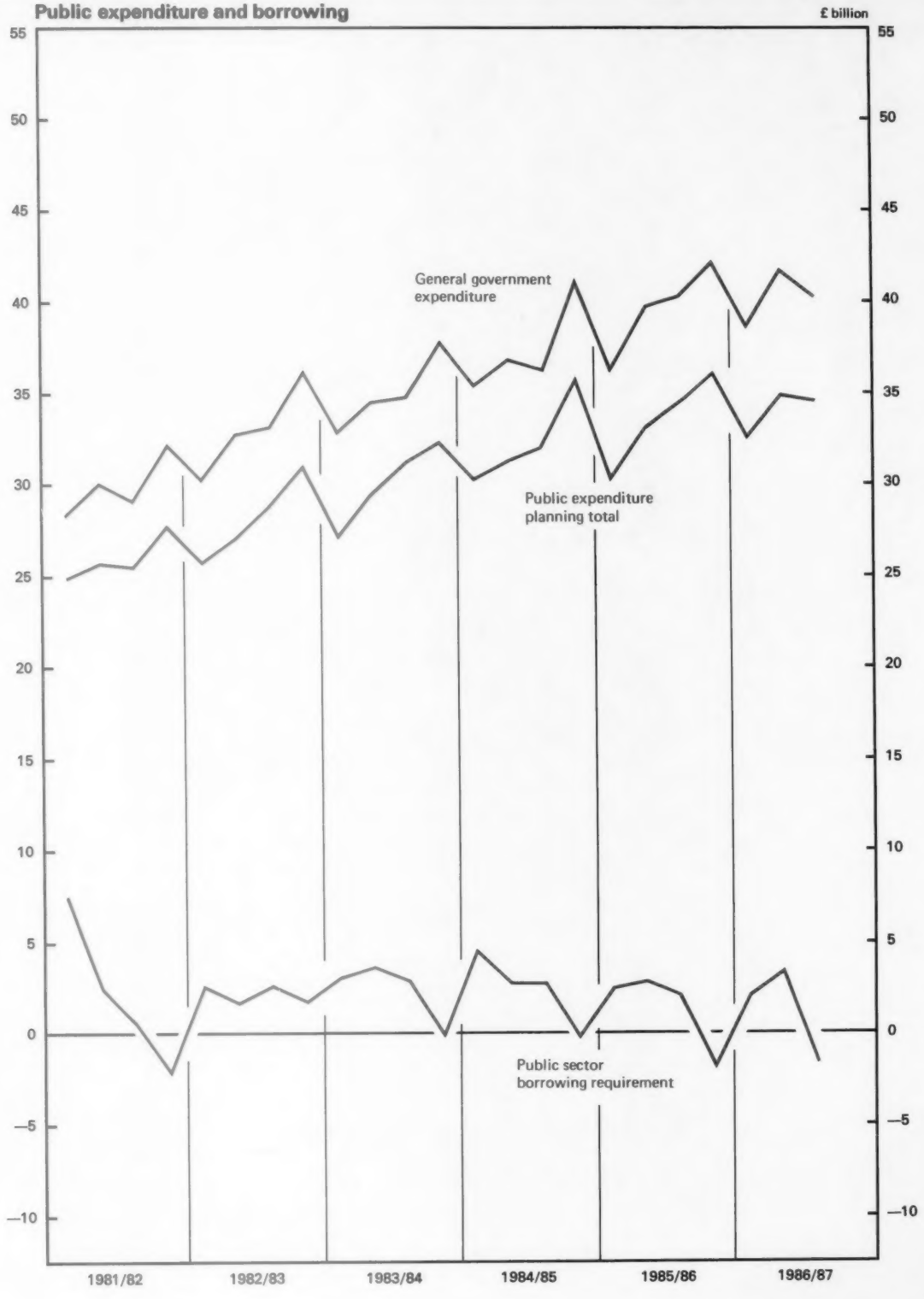
1 An article describing the new presentation of government income and expenditure was published in the March 1977 issue of Economic Trends.
2 Excluding financial transactions.
3 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

## Financial transactions of the public sector(7)

£ million

| | | Financial deficit(1) | | | | Receipts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Borrowing requirement(4) | | | | |
| | | Total | General government(2) | Public corporations | Net lending etc., to private sector and overseas(3) | Total | Financial transactions (net receipts) | Total | Central government (own account)(5) | Local authorities | Public corporations | Seasonally adjusted Total(6) |
| | | FZAA | FZAB | FZAC | ABKG | ABKH | ABKI | ABEN | ABEB | ABEG | ABEM | ABFB |
| 1983 | | 11 154 | 10 973 | 181 | -640 | 10 514 | -1 114 | 11 628 | 9 203 | 1 232 | 1 193 | 11 628 |
| 1984 | | 13 106 | 12 471 | 635 | -2 488 | 10 618 | 405 | 10 213 | 6 887 | 2 304 | 1 022 | 10 213 |
| 1985 | | 10 041 | 9 881 | 160 | -2 384 | 7 657 | 142 | 7 515 | 6 138 | 1 578 | -201 | 7 515 |
| 1986 | | 10 574 | 11 226 | -652 | -3 591 | 6 983 | 4 773† | 2 210 | 2 404 | 727 | -921 | 2 210 |
| 1984 | 1 | 2 630 | 2 917 | -287 | -428 | 2 202 | 2 282 | -80 | -933 | 1 121 | -268 | 2 467 |
| | 2 | 4 267 | 4 299 | -32 | -28 | 4 239 | -355 | 4 594 | 4 525 | 554 | -485 | 3 282 |
| | 3 | 3 814 | 2 946 | 868 | -680 | 3 134 | 277 | 2 857 | 1 926 | 684 | 247 | 2 585 |
| | 4 | 2 395 | 2 309 | 86 | -1 352 | 1 043 | -1 799 | 2 842 | 1 369 | -55 | 1 528 | 1 879 |
| 1985 | 1 | 3 289 | 2 768 | 521 | -126 | 3 163 | 3 284 | -121 | -1 202 | 1 202 | -121 | 2 380 |
| | 2 | 3 634 | 3 730 | -96 | -1 302 | 2 332 | -269 | 2 601 | 2 715 | 473 | -587 | 1 194 |
| | 3 | 2 408 | 1 993 | 415 | -530 | 1 878 | -1 071 | 2 949 | 2 353 | 640 | -44 | 2 369 |
| | 4 | 710 | 1 390 | -680 | -426 | 284 | -1 802 | 2 086 | 2 272 | -737 | 551 | 1 572 |
| 1986 | 1 | 1 620 | 2 063 | -443 | -733 | 887 | 2 772 | -1 885 | -3 254 | 1 296 | 73 | 1 600 |
| | 2 | 3 270 | 3 487 | -217 | -1 071 | 2 199 | 28 | 2 171 | 3 047 | -103 | -773 | 928 |
| | 3 | 4 834 | 4 437 | 397 | -41 | 4 793 | 1 216 | 3 577 | 3 646 | 130 | -199 | 2 453 |
| | 4 | 850 | 1 239 | -389 | -1 746 | -896 | 757† | -1 653 | -1 035 | -596 | -22 | -2 771 |
| 1987 | 1 | | | | | | | -762 | -1 040 | 709 | -431 | 1 469 |
| 1987 | F | | | | | | | -380† | 110† | -114† | -376† | |
| | M | | | | | | | 3 300 | 2 243 | 912 | 145 | |
| | A | | | | | | | 1 770 | 1 888 | 402 | -520 | |

1 The excess of current and capital expenditure over receipts; corresponds to a negative figure of financial surplus/deficit.
2 Top table, columns 3 to 7, less 1 and 2.
3 Including cash expenditure on company securities (net).
4 Redefined: see article in Economic Trends No 364, February 1984.
5 Excluding borrowing matched by on-lending to local authorities and public corporations.
6 Calendar year constrained.
7 Due to the inclusion of the latest PSBR figures this table may not be internally consistent.


Public expenditure and borrowing
£ billion
55
50
45
40
35
30
25
20
15
10
5
0
—5
—10
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
1981/82
1982/83
1983/84
1984/85
1985/86
1986/87

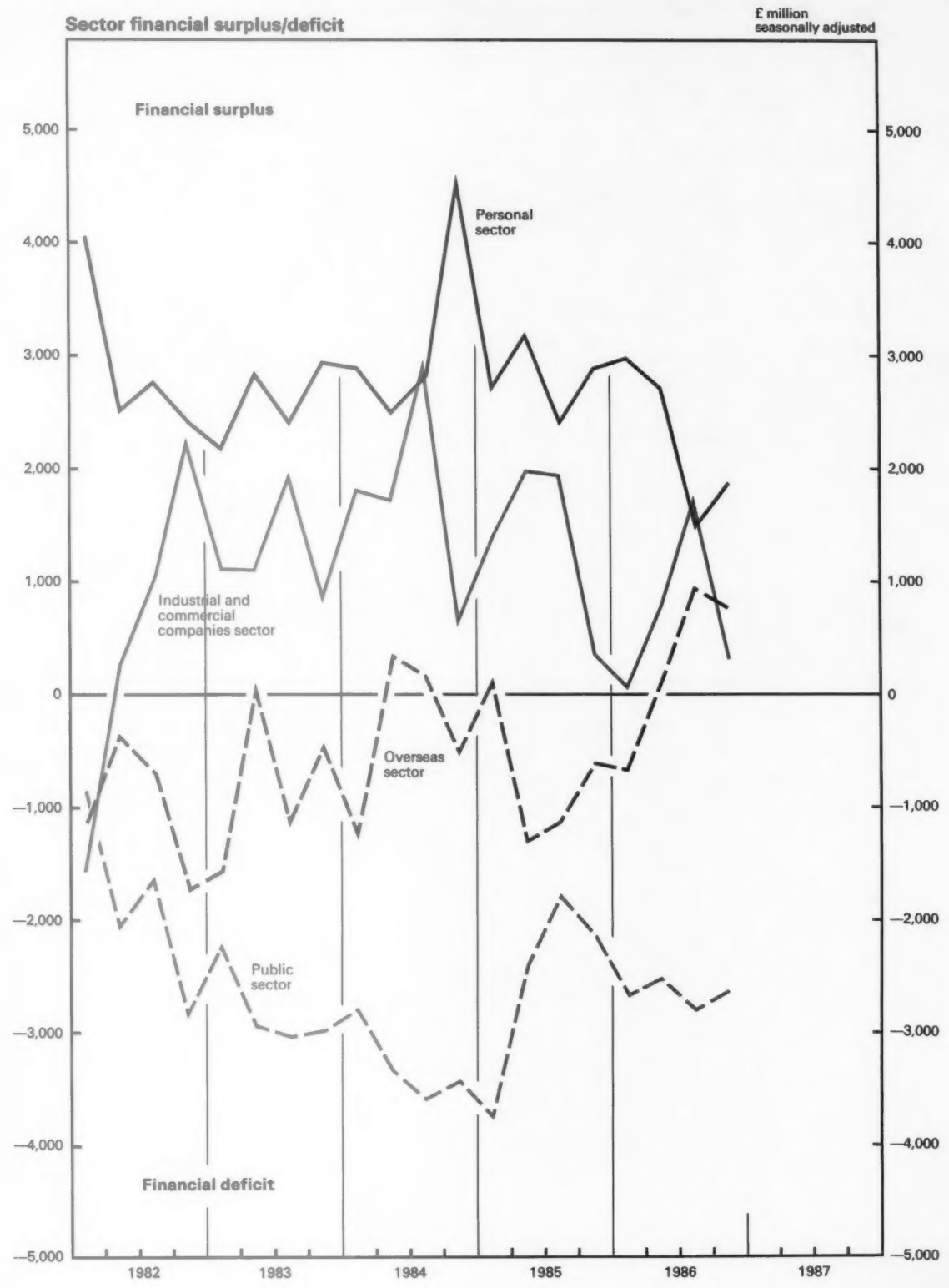
## Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

| | | Public sector(1) | | | Financial companies and institutions | | | Industrial and commercial companies | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Savings(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) |
| | | ABKJ | ABKK | ABKL | AAUM | AAUN | GGCX | AAAQ | AAUR | GGCW |
| 1982 | | 5 651 | -910 | 12 125 | 3 839 | -291 | 5 965 | 18 545 | 633 | 17 295 |
| 1983 | | 4 659 | -1 545 | 14 268 | 4 820 | -232 | 5 243 | 24 599 | 484 | 20 069 |
| 1984 | | 2 177 | -1 701 | 13 582 | 6 067 | -217 | 6 877 | 31 058 | 346 | 24 303 |
| 1985 | | 3 666 | -630 | 13 077 | 7 454 | -355 | 7 889 | 31 395 | 390 | 26 069 |
| 1986 | | 2 466 | -195 | 12 845 | 9 478 | -477 | 7 121 | 29 601 | 523 | 27 231 |
| 1982 | 3 | 1 579 | -181 | 3 017 | 1 196 | -60 | 1 603 | 4 821 | 89 | 3 950 |
| | 4 | 775 | -363 | 3 260 | 1 039 | -50 | 1 376 | 5 840 | 239 | 3 830 |
| 1983 | 1 | 1 796 | -344 | 3 664 | 1 254 | -53 | 1 394 | 5 549 | 194 | 4 635 |
| | 2 | 867 | -315 | 3 482 | 1 211 | -67 | 1 279 | 5 517 | 123 | 4 534 |
| | 3 | 994 | -395 | 3 622 | 1 185 | -56 | 1 255 | 7 146 | 79 | 5 274 |
| | 4 | 1 002 | -491 | 3 500 | 1 170 | -56 | 1 315 | 6 387 | 88 | 5 626 |
| 1984 | 1 | 1 084 | -534 | 3 339 | 1 272 | -38 | 1 454 | 7 385 | 78 | 5 636 |
| | 2 | 366 | -447 | 3 235 | 1 495 | -63 | 1 692 | 7 497 | 96 | 5 876 |
| | 3 | 357 | -385 | 3 567 | 1 515 | -60 | 1 852 | 8 592 | 98 | 5 759 |
| | 4 | 370 | -335 | 3 441 | 1 785 | -56 | 1 879 | 7 584 | 74 | 7 032 |
| 1985 | 1 | -116 | -262 | 3 375 | 1 995 | -72 | 2 518 | 8 185 | 120 | 6 919 |
| | 2 | 940 | -175 | 3 183 | 1 595 | -95 | 1 569 | 8 245 | 58 | 6 310 |
| | 3 | 1 845 | -167 | 3 439 | 1 812 | -93 | 1 923 | 8 043 | 108 | 6 199 |
| | 4 | 997 | -26 | 3 080 | 2 052 | -95 | 1 879 | 6 922 | 106 | 6 641 |
| 1986 | 1 | 875 | -110 | 3 421 | 2 218 | -81 | 1 977 | 6 339 | 98 | 6 370 |
| | 2 | 716 | -84 | 3 136 | 2 147 | -122 | 1 779 | 6 734 | 146 | 6 123 |
| | 3 | 378 | -128 | 3 047 | 2 220 | -123 | 1 679 | 8 330 | 156 | 6 735 |
| | 4 | 497 | 127 | 3 241 | 2 893 | -151 | 1 686 | 8 198 | 123 | 8 003 |

| | | Personal sector | | | Financial Surplus Deficit(4) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Saving(2) | Capital transfers (net receipts) | Gross domestic capital formation(3) | Public sector | Financial companies and institutions | Industrial and commercial companies | Personal sector | Overseas sector(5) | Balancing item(6) |
| | | AAUU | AAUV | GGCV | AAVE | AAVF | AAVG | AAVH | AAVI | AAVJ |
| 1982 | | 24 754 | 568 | 12 301 | -7 384 | -2 417 | 1 883 | 13 021 | -3 936 | -1 167 |
| 1983 | | 24 027 | 1 293 | 14 984 | -11 154 | -655 | 5 014 | 10 336 | -3 135 | -406 |
| 1984 | | 27 016 | 1 572 | 15 838 | -13 106 | -1 027 | 7 101 | 12 750 | -1 282 | -4 436 |
| 1985 | | 27 474 | 595 | 16 884 | -10 041 | -790 | 5 718 | 11 185 | -2 946 | -3 124 |
| 1986 | | 28 646 | 149 | 19 757 | -10 574 | 1 880 | 2 893 | 9 038 | 1 100 | -4 337 |
| 1982 | 3 | 5 617 | 152 | 3 004 | -1 619 | -467 | 980 | 2 765 | -685 | -954 |
| | 4 | 5 702 | 174 | 3 468 | -2 848 | -387 | 2 249 | 2 408 | -1 739 | 317 |
| 1983 | 1 | 5 474 | 203 | 3 516 | -2 212 | -193 | 1 108 | 2 161 | -1 579 | 715 |
| | 2 | 6 305 | 259 | 3 719 | -2 930 | -135 | 1 106 | 2 845 | 49 | -935 |
| | 3 | 5 845 | 372 | 3 819 | -3 023 | -126 | 1 951 | 2 398 | -1 153 | -47 |
| | 4 | 6 403 | 459 | 3 930 | -2 989 | -201 | 849 | 2 932 | -452 | -139 |
| 1984 | 1 | 6 293 | 454 | 3 895 | -2 789 | -220 | 1 827 | 2 892 | -1 249 | -461 |
| | 2 | 5 973 | 414 | 3 889 | -3 316 | -260 | 1 717 | 2 498 | 343 | -982 |
| | 3 | 6 452 | 347 | 4 019 | -3 595 | -397 | 2 931 | 2 780 | 158 | -1 877 |
| | 4 | 8 298 | 317 | 4 035 | -3 406 | -150 | 628 | 4 580 | -534 | -1 116 |
| 1985 | 1 | 6 554 | 214 | 4 059 | -3 753 | -595 | 1 386 | 2 709 | 115 | 138 |
| | 2 | 7 162 | 212 | 4 184 | -2 418 | -69 | 1 993 | 3 190 | -1 302 | -1 394 |
| | 3 | 6 391 | 154 | 4 151 | -1 761 | -204 | 1 950 | 2 394 | -1 147 | -1 232 |
| | 4 | 7 367 | 15 | 4 490 | -2 109 | 78 | 387 | 2 892 | -612 | -636 |
| 1986 | 1 | 7 266 | 83 | 4 379 | -2 656 | 160 | 67 | 2 980 | -682 | 131 |
| | 2 | 7 344 | 60 | 4 697 | -2 504 | 246 | 757 | 2 707 | 94 | -1 300 |
| | 3 | 6 660 | 95 | 5 279 | -2 797 | 418 | 1 751 | 1 476 | 931 | -1 779 |
| | 4 | 7 376 | -99 | 5 402 | -2 617 | 1 056 | 318 | 1 875 | 757 | -1 389 |

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving plus capital transfers less gross domestic fixed capital formation, less increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, plus capital transfers.
6 For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
—5,000
1982
1983
1984
1985
1986
1987

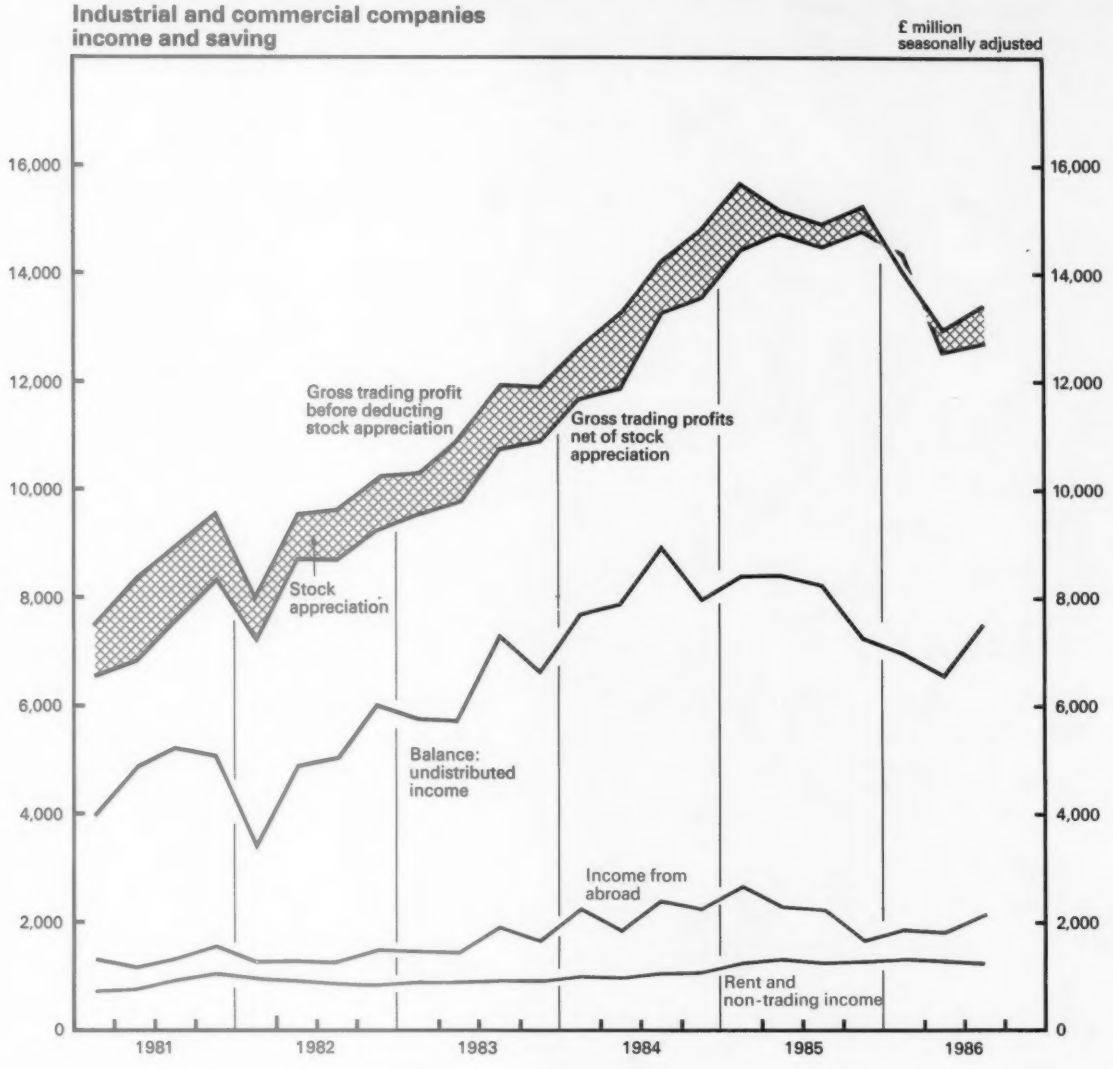
## Appropriation account of industrial and commercial companies(1)

£ million, seasonally adjusted

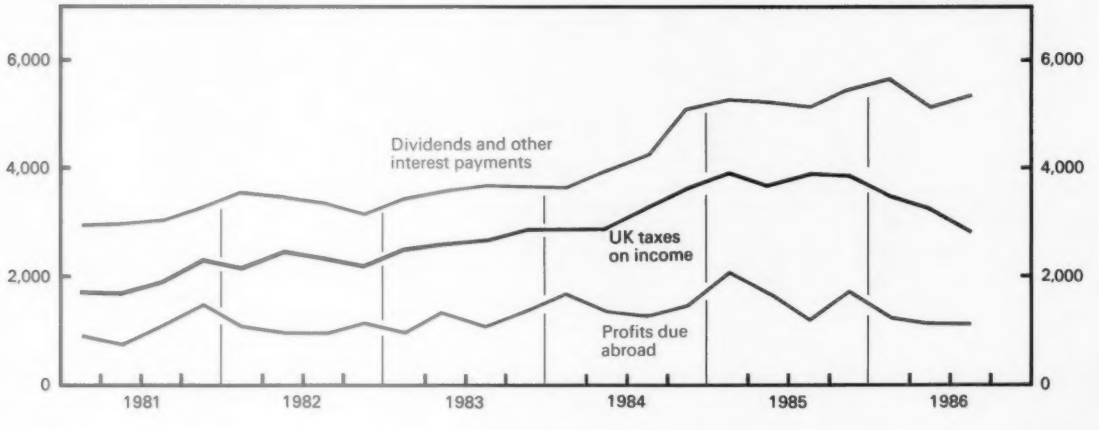
| | | Income | | | | | | | | Allocation of income | | | | Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Income arising in the United Kingdom | | | | | | | Dividends, interest and other transfer payments | | | | | |
| | | | Gross trading profits | | | | | | | | | | | | |
| | | | Net of stock appreciation | | | | | | | | | | | | |
| | | Total income | Total(2) | N. Sea oil companies | Other companies | Stock appreciation | Before deducting stock appreciation | Rent and non-trading income | Income from abroad (net of taxes paid abroad) | Dividends on ordinary shares(3) | Other (3,4) | Profits due abroad (net of UK tax) | UK taxes on income: payments (5) | Undistributed income (6) | Undistributed income adjusted for unremitted profits (6,7) |
| | | AIAN | AIAO | CIDT | CIDU | AIAP | AIAQ | AIAR | AIAS | AIAU | AIAV | AIAW | AIAY | AAUQ | AIAZ |
| 1977 | | 25 950 | 17 612 | 1 971 | 15 641 | 4 118 | 21 730 | 1 638 | 2 582 | 1 715 | 3 895 | 1 729 | 2 496 | 16 115 | 16 180 |
| 1978 | | 29 192 | 21 114 | 2 614 | 18 500 | 3 443 | 24 557 | 1 851 | 2 984 | 1 904 | 4 315 | 1 980 | 3 246 | 17 747 | 17 709 |
| 1979 | | 39 529 | 24 088 | 5 255 | 18 833 | 7 411 | 31 499 | 2 366 | 5 664 | 3 317 | 6 383 | 3 711 | 4 245 | 21 873 | 22 822 |
| 1980 | | 40 016 | 26 256 | 8 056 | 18 200 | 5 544 | 31 800 | 3 244 | 4 972 | 3 146 | 9 172 | 4 424 | 5 808 | 17 466 | 18 225 |
| 1981 | | 42 589 | 28 668 | 10 864 | 17 804 | 5 036 | 33 704 | 3 457 | 5 428 | 3 188 | 9 084 | 4 182 | 7 882 | 18 453 | 18 173 |
| 1982 | | 45 373 | 33 209 | 12 720 | 20 489 | 3 467 | 36 676 | 3 531 | 5 166 | 3 590 | 10 033 | 4 041 | 9 184 | 18 545 | 18 043 |
| 1983 | | 54 403 | 40 267 | 15 673 | 24 594 | 4 110 | 44 377 | 3 551 | 6 475 | 4 355 | 10 025 | 4 743 | 10 681 | 24 599 | 23 738 |
| 1984 | | 66 274 | 49 020 | 19 019 | 30 001 | 4 528 | 53 548 | 4 037 | 8 689 | 5 302 | 11 604 | 5 719 | 12 591 | 31 058 | 28 798 |
| 1985 | | 74 546 | 57 988 | 18 364 | 39 624 | 2 574 | 60 562 | 5 040 | 8 944 | 7 103 | 14 148 | 6 625 | 15 275 | 31 395 | 31 347 |
| 1986 | | 68 776 | 53 724 | 8 409 | 45 315 | 1 941 | 55 665 | 5 229 | 7 882 | 8 782 | 12 896 | 4 631 | 12 866 | 29 601 | 28 265 |
| 1979 | 1 | 8 564 | 5 264 | 943 | 4 321 | 1 524 | 6 788 | 518 | 1 258 | 527 | 1 414 | 709 | 984 | 4 950 | 4 797 |
| | 2 | 9 874 | 6 100 | 1 194 | 4 906 | 1 959 | 8 059 | 543 | 1 272 | 592 | 1 436 | 971 | 1 145 | 5 730 | 6 221 |
| | 3 | 10 467 | 6 332 | 1 527 | 4 805 | 1 941 | 8 273 | 611 | 1 583 | 763 | 1 650 | 1 002 | 1 103 | 5 949 | 6 263 |
| | 4 | 10 624 | 6 392 | 1 591 | 4 801 | 1 987 | 8 379 | 694 | 1 551 | 1 435 | 1 883 | 1 029 | 1 033 | 5 244 | 5 541 |
| 1980 | 1 | 11 229 | 6 752 | 1 930 | 4 822 | 2 225 | 8 977 | 782 | 1 470 | 810 | 2 231 | 1 227 | 1 500 | 5 461 | 5 905 |
| | 2 | 10 408 | 7 006 | 1 957 | 5 049 | 1 316 | 8 322 | 797 | 1 289 | 666 | 2 279 | 1 273 | 1 103 | 5 087 | 5 229 |
| | 3 | 9 063 | 6 086 | 1 995 | 4 091 | 1 146 | 7 232 | 813 | 1 018 | 848 | 2 248 | 909 | 1 512 | 3 546 | 3 703 |
| | 4 | 9 316 | 6 412 | 2 174 | 4 238 | 857 | 7 269 | 852 | 1 195 | 822 | 2 414 | 1 015 | 1 693 | 3 372 | 3 388 |
| 1981 | 1 | 9 412 | 6 426 | 2 440 | 3 986 | 932 | 7 358 | 737 | 1 317 | 804 | 2 161 | 902 | 1 705 | 3 840 | 3 717 |
| | 2 | 10 140 | 6 656 | 2 683 | 3 973 | 1 528 | 8 184 | 765 | 1 191 | 851 | 2 147 | 761 | 1 686 | 4 695 | 4 455 |
| | 3 | 11 029 | 7 415 | 2 824 | 4 591 | 1 341 | 8 756 | 932 | 1 341 | 827 | 2 198 | 1 064 | 1 919 | 5 021 | 5 023 |
| | 4 | 12 008 | 8 171 | 2 917 | 5 254 | 1 235 | 9 406 | 1 023 | 1 579 | 706 | 2 578 | 1 455 | 2 372 | 4 897 | 4 978 |
| 1982 | 1 | 9 981 | 7 007 | 2 679 | 4 328 | 774 | 7 781 | 950 | 1 230 | 1 054 | 2 525 | 1 020 | 2 175 | 3 187 | 3 076 |
| | 2 | 11 548 | 8 552 | 3 001 | 5 551 | 820 | 9 372 | 939 | 1 237 | 891 | 2 586 | 953 | 2 421 | 4 697 | 4 747 |
| | 3 | 11 530 | 8 563 | 3 456 | 5 107 | 901 | 9 464 | 843 | 1 223 | 927 | 2 471 | 843 | 2 368 | 4 821 | 4 939 |
| | 4 | 12 334 | 9 087 | 3 584 | 5 503 | 972 | 10 059 | 799 | 1 476 | 718 | 2 451 | 1 125 | 2 200 | 5 840 | 5 281 |
| 1983 | 1 | 12 475 | 9 359 | 3 688 | 5 671 | 769 | 10 128 | 866 | 1 481 | 868 | 2 589 | 946 | 2 523 | 5 549 | 5 640 |
| | 2 | 13 066 | 9 592 | 3 648 | 5 944 | 1 174 | 10 766 | 869 | 1 431 | 1 131 | 2 473 | 1 343 | 2 802 | 5 517 | 5 642 |
| | 3 | 14 593 | 10 612 | 4 118 | 6 494 | 1 154 | 11 766 | 905 | 1 922 | 1 227 | 2 444 | 1 083 | 2 693 | 7 146 | 7 091 |
| | 4 | 14 269 | 10 704 | 4 219 | 6 485 | 1 013 | 11 717 | 911 | 1 641 | 1 129 | 2 519 | 1 371 | 2 863 | 6 387 | 5 365 |
| 1984 | 1 | 15 524 | 11 387 | 4 306 | 7 081 | 957 | 12 344 | 965 | 2 215 | 1 075 | 2 544 | 1 659 | 2 861 | 7 385 | 7 306 |
| | 2 | 15 675 | 11 529 | 4 593 | 6 936 | 1 365 | 12 894 | 956 | 1 825 | 1 238 | 2 707 | 1 364 | 2 869 | 7 497 | 7 016 |
| | 3 | 17 329 | 12 919 | 4 837 | 8 082 | 940 | 13 859 | 1 052 | 2 418 | 1 088 | 3 144 | 1 260 | 3 245 | 8 592 | 8 086 |
| | 4 | 17 748 | 13 185 | 5 283 | 7 902 | 1 266 | 14 451 | 1 064 | 2 231 | 1 901 | 3 209 | 1 436 | 3 616 | 7 584 | 6 390 |
| 1985 | 1 | 19 441 | 14 262 | 5 261 | 9 001 | 1 244 | 15 506 | 1 244 | 2 691 | 1 572 | 3 679 | 2 079 | 3 926 | 8 185 | 8 105 |
| | 2 | 18 697 | 14 665 | 4 860 | 9 805 | 407 | 15 072 | 1 311 | 2 314 | 1 630 | 3 579 | 1 603 | 3 640 | 8 245 | 7 794 |
| | 3 | 18 310 | 14 392 | 4 017 | 10 375 | 444 | 14 836 | 1 219 | 2 255 | 1 837 | 3 324 | 1 230 | 3 876 | 8 043 | 7 922 |
| | 4 | 18 098 | 14 669 | 4 226 | 10 443 | 479 | 15 148 | 1 266 | 1 684 | 2 064 | 3 566 | 1 713 | 3 833 | 6 922 | 7 526 |
| 1986 | 1 | 16 643 | 13 711 | 3 208 | 10 503 | -265 | 13 446 | 1 325 | 1 872 | 2 231 | 3 321 | 1 300 | 3 452 | 6 339 | 6 253 |
| | 2 | 16 303 | 12 813 | 1 615 | 11 198 | 398 | 13 209 | 1 280 | 1 814 | 2 193 | 2 996 | 1 118 | 3 262 | 6 734 | 6 597 |
| | 3 | 17 557 | 13 548 | 1 575 | 11 973 | 601 | 14 149 | 1 232 | 2 176 | 2 231 | 3 100 | 1 041 | 2 855 | 8 330 | 8 151 |
| | 4 | 18 273 | 13 652 | 2 011 | 11 641 | 1 209 | 14 861 | 1 392 | 2 020 | 2 127 | 3 479 | 1 172 | 3 297 | 8 198 | 7 284 |

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984 and British Gas from 3 December 1986.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax;the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax)and petroleum revenue tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

## Industrial and commercial companies income and saving




## Industrial and commercial companies allocation of income



## Capital account and financial surplus/deficit of industrial and commercial companies(1)

£ million, seasonally adjusted

| | | Receipts | | | | | Expenditure | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total receipts(2) | Undistributed income | Stock appreciation | Undistributed income less stock appreciation | Capital transfers | Total expenditure | Gross domestic fixed capital formation | Value of physical increase in stocks and work in progress | Taxes on capital and other capital transfers | Balance: Financial surplus or deficit |
| | | FMBA | AAUQ | AIAP | FMBC | CIDZ | FMBF | AAUS | FMBG | FMBH | AAVG |
| 1983 | | 21 153 | 24 599 | 4 110 | 20 489 | 664 | 16 139 | 15 828 | 131 | 180 | 5 014 |
| 1984 | | 27 074 | 31 058 | 4 528 | 26 530 | 544 | 19 973 | 19 464 | 311 | 198 | 7 101 |
| 1985 | | 29 379 | 31 395 | 2 574 | 28 821 | 556 | 23 663 | 23 487 | 8 | 168 | 5 716 |
| 1986 | | 28 354 | 29 601 | 1 941 | 27 660 | 694 | 25 461 | 24 860 | 430 | 171 | 2 893 |
| 1983 | 1 | 5 010 | 5 549 | 769 | 4 780 | 230 | 3 902 | 3 803 | 63 | 36 | 1 108 |
| | 2 | 4 508 | 5 517 | 1 174 | 4 343 | 165 | 3 402 | 3 826 | -466 | 42 | 1 106 |
| | 3 | 6 122 | 7 146 | 1 154 | 5 992 | 130 | 4 171 | 3 899 | 221 | 51 | 1 951 |
| | 4 | 5 513 | 6 387 | 1 013 | 5 374 | 139 | 4 664 | 4 300 | 313 | 51 | 849 |
| 1984 | 1 | 6 561 | 7 385 | 957 | 6 428 | 133 | 4 734 | 4 391 | 288 | 55 | 1 827 |
| | 2 | 6 272 | 7 497 | 1 365 | 6 132 | 140 | 4 555 | 4 818 | -307 | 44 | 1 717 |
| | 3 | 7 800 | 8 592 | 940 | 7 652 | 148 | 4 869 | 4 917 | -88 | 50 | 2 931 |
| | 4 | 6 441 | 7 584 | 1 266 | 6 318 | 123 | 5 815 | 5 338 | 428 | 49 | 626 |
| 1985 | 1 | 7 110 | 8 185 | 1 244 | 6 941 | 169 | 5 724 | 5 883 | -208 | 49 | 1 385 |
| | 2 | 7 935 | 8 245 | 407 | 7 838 | 97 | 5 942 | 5 648 | 255 | 39 | 1 993 |
| | 3 | 7 745 | 8 043 | 444 | 7 599 | 146 | 5 795 | 5 960 | -205 | 40 | 1 950 |
| | 4 | 6 589 | 6 922 | 479 | 6 443 | 146 | 6 202 | 5 996 | 166 | 40 | 387 |
| 1986 | 1 | 6 743 | 6 339 | -265 | 6 604 | 139 | 6 676 | 6 207 | 428 | 41 | 67 |
| | 2 | 6 528 | 6 734 | 396 | 6 338 | 190 | 5 771 | 6 124 | -397 | 44 | 757 |
| | 3 | 7 928 | 8 330 | 601 | 7 729 | 199 | 6 177 | 6 371 | -237 | 43 | 1 751 |
| | 4 | 7 155 | 8 198 | 1 209 | 6 989 | 166 | 6 837 | 6 158 | 636 | 43 | 318 |

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984 and British Gas from 3 December 1986.
2 After deducting stock appreciation but before providing for depreciation.

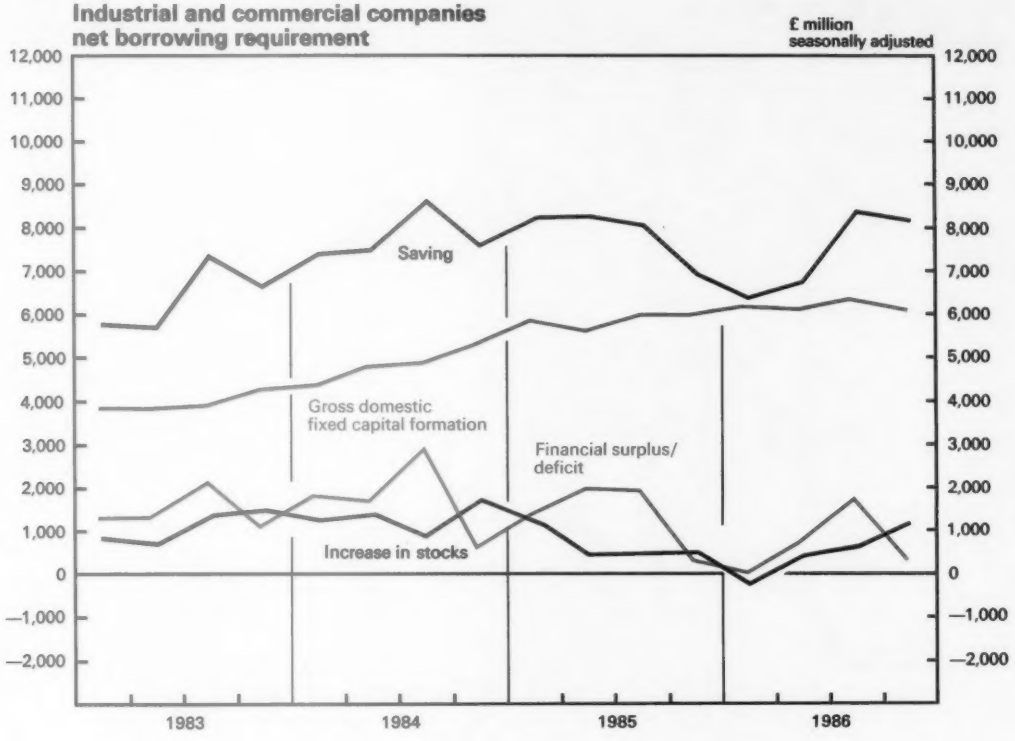
## Financial transactions including net borrowing requirement of industrial and commercial companies (1)

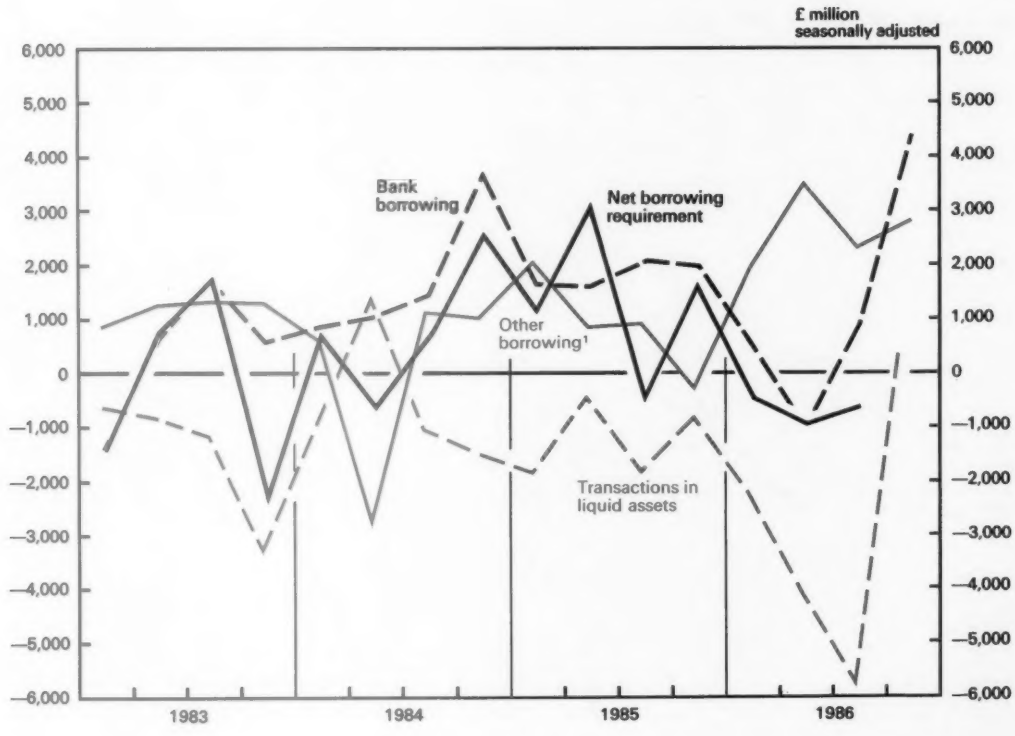
£ million, seasonally adjusted

| | | Transactions leading to net borrowing requirement | | | | | | Financing of net borrowing requirement(5) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Financial surplus or deficit | Net unremitted profits(2) | Net identified trade and other credit(3) | Investment in UK company securities(4) | Investment abroad | Balancing item | Borrowing from Banks(6) | Borrowing from Other | Financial assets Liquid | Financial assets Other | Net borrowing requirement (NBR) |
| | | AAVG | AICX | ABKP | FMBQ | AIDC | AIDD | AIDF | AIDJ | AIDG | AICV | AIDI |
| 1983 | | 5 014 | -861 | 326 | -1 381 | -3 507† | 1 576† | 1 618 | 4 824 | -5 861 | -1 748† | -1 167† |
| 1984 | | 7 101 | -2 260 | -138 | -3 878 | -1 496 | -2 313 | 7 075 | -29 | -2 206 | -1 856 | 2 984 |
| 1985 | | 5 716 | -48 | -58 | -4 625 | -3 567 | -2 667 | 7 344 | 3 568 | -4 972 | -691 | 5 249 |
| 1986 | | 2 893 | -1 336 | -1 924 | -3 728 | -4 878 | | 5 069 | 10 698† | -11 924 | | |
| 1983 | 1 | 1 108 | 91 | 1 519 | -228 | -1 490† | 382† | -1 376 | 877 | -628 | -255† | -1 382† |
| | 2 | 1 106 | 125 | -741 | -525 | -210 | -498 | 627 | 1 282 | -817 | -349 | 743 |
| | 3 | 1 951 | -55 | -575 | -323 | -878 | -1 877 | 1 776 | 1 336 | -1 184 | -171 | 1 757 |
| | 4 | 849 | -1 022 | 123 | -305 | -929 | 3 588 | 591 | 1 329 | -3 251 | -973 | -2 304 |
| 1984 | 1 | 1 827 | -79 | 878 | -1 330 | -856 | -1 162 | 873 | 619 | -821 | 51 | 722 |
| | 2 | 1 717 | -481 | -367 | -813 | 49 | 537 | 1 063 | -2 785 | 1 391 | -311 | -642 |
| | 3 | 2 931 | -506 | -329 | -475 | -396 | -1 845 | 1 466 | 1 104 | -1 029 | -921 | 620 |
| | 4 | 626 | -1 194 | -310 | -1 260 | -293 | -145 | 3 673 | 1 033 | -1 455 | -675 | 2 576 |
| 1985 | 1 | 1 386 | -80 | 684 | -1 229 | -1 785 | -153 | 1 657 | 2 069 | -1 836 | -713 | 1 177 |
| | 2 | 1 993 | -451 | -401 | -1 410 | -614 | -2 186 | 1 603 | 869 | -471 | 1 068 | 3 089 |
| | 3 | 1 950 | -121 | 97 | -1 093 | -650 | 357 | 2 087 | 910 | -1 811 | -1 726 | -540 |
| | 4 | 387 | 604 | -452 | -893 | -518 | -685 | 1 997 | -280 | -840 | 880 | 1 557 |
| 1986 | 1 | 67 | -86 | 1 400 | -746 | 350 | -519 | 503 | 1 904 | -2 201 | -672 | -466 |
| | 2 | 757 | -137 | -867 | -1 100 | -486 | 2 793 | -1 033 | 3 500 | -4 091 | 643 | -981 |
| | 3 | 1 751 | -179 | -1 381 | -1 019 | -2 195 | 3 854 | 870 | 2 332 | -5 712 | 1 879 | -631 |
| | 4 | 318 | -934 | -1 062 | -863 | -2 568 | | 4 402 | 2 864† | 393 | | |

1 Inflows(+), outflows(-); Relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11
2 Retained in UK (+), retained abroad (-).
3 Includes accruals adjustment.
4 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
5 The NBR seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
6 Includes Bank of England Issue Department transactions in commercial bills.

**Industrial and commercial companies net borrowing requirement**



## UK banks' lending to UK residents(1)

£ million, seasonally adjusted(2)

| | Lending to public sector | | | Lending to private sector | | |
|---|---|---|---|---|---|---|
| | Total | Sterling | Other currencies | Total | Sterling | Other currencies |
| Transactions | FPAA | AEBT | AECC | FPAD | AEC1 | AECD |
| 1982 | -2 309 | -2 257 | -52 | 14 791 | 13 055 | 1 736 |
| 1983 | -1 905 | -2 020 | 115 | 15 046 | 13 628 | 1 418 |
| 1984 | 881 | 590 | 291 | 18 384 | 13 479 | 4 905 |
| 1985 | -1 688 | -2 092 | 404 | 24 579 | 19 839 | 4 740 |
| 1986 | -599† | -594 | 32 | 37 932† | 29 125 | 8 255 |
| 1982 1 | 1 421 | 1 409 | 12 | 2 064 | 1 423 | 641 |
| 2 | -1 116 | -1 112 | -4 | 4 968 | 4 590 | 378 |
| 3 | -396 | -407 | 11 | 3 282 | 3 060 | 222 |
| 4 | -2 218 | -2 147 | -71 | 4 477 | 3 982 | 495 |
| 1983 1 | 1 143 | 1 143 | - | 2 839 | 3 054 | -215 |
| 2 | -1 872 | -1 852 | -20 | 5 338 | 4 793 | 545 |
| 3 | -1 077 | -1 027 | -50 | 3 603 | 2 407 | 1 196 |
| 4 | -99 | -284 | 185 | 3 266 | 3 374 | -108 |
| 1984 1 | 1 678 | 1 714 | -36 | 2 507 | 1 405 | 1 102 |
| 2 | -2 368 | -2 411 | 43 | 6 579 | 5 771 | 808 |
| 3 | 1 116 | 1 001 | 115 | 2 973 | 1 926 | 1 047 |
| 4 | 455 | 286 | 169 | 6 325 | 4 377 | 1 948 |
| 1985 1 | -3 138 | -3 227 | 89 | 12 013 | 8 788 | 3 225 |
| 2 | -1 342 | -1 377 | 35 | 6 477 | 5 095 | 1 382 |
| 3 | 1 582 | 1 560 | 22 | 3 308 | 4 114 | -806 |
| 4 | 1 210 | 952 | 258 | 2 781 | 1 842 | 939 |
| 1986 1 | 1 619 | 1 618 | 1 | 10 858† | 8 486 | 2 353 |
| 2 | -1 307 | -1 238 | -69 | 9 537 | 7 958 | 1 582 |
| 3 | -184† | -348 | 200 | 11 264 | 7 418 | 3 692 |
| 4 | -727 | -626 | -100 | 6 273 | 5 283 | 628 |
| 1987 1 | 1 392 | | | 18 674 | | |

1 Seasonally adjusted data is shown on a calendar year basis whereas data for pages 5,52 and 54 are on a financial year basis.
2 The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

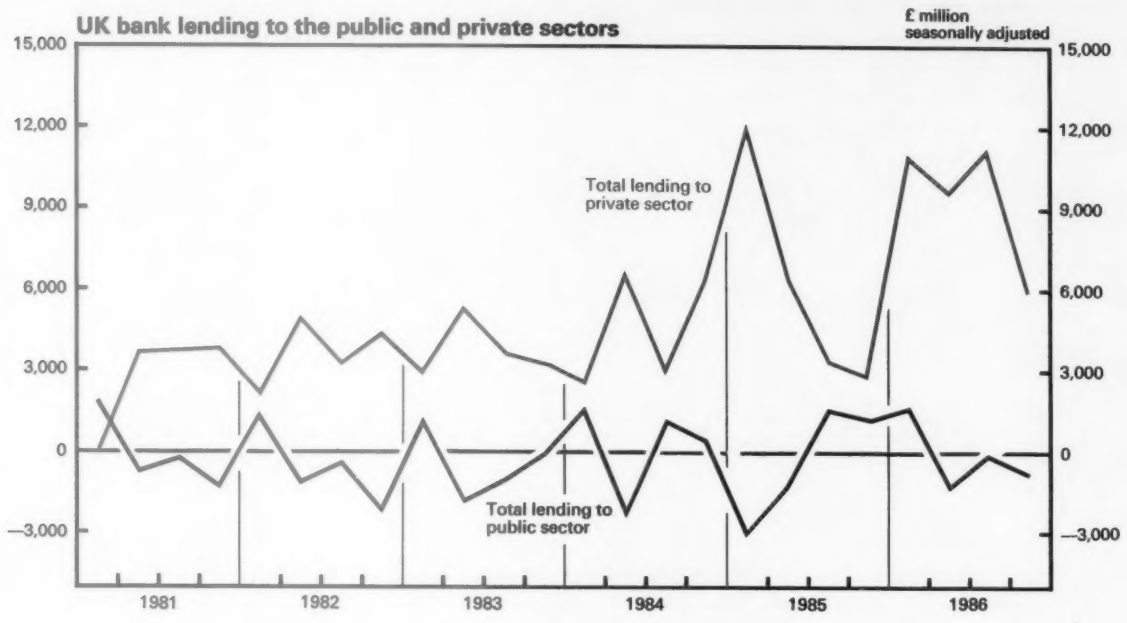
## UK banks' loans, advances and acceptances to UK residents (1,2)

£ million

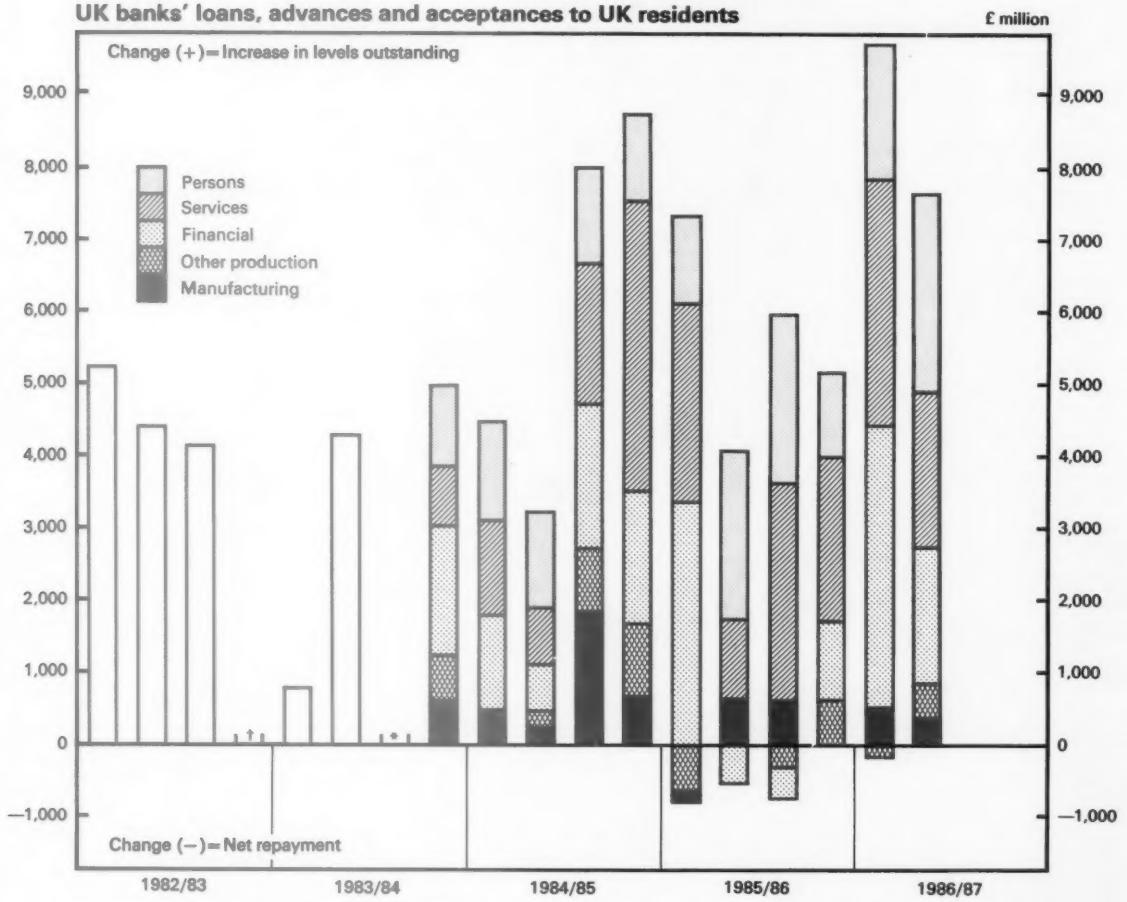
| | Total loans, advances and acceptances | Manufacturing | Other production | Financial | Services | Persons |
|---|---|---|---|---|---|---|
| Amounts outstanding (August 1986): | 189 596 | 27 075 | 12 003 | 39 444 | 58 980 | 45 536 |
| Changes | FRAA | FRAB | FRAC | FRAD | FRAE | FRAF |
| 1984 | | | | | | |
| May-Aug | 3 201 | 201 | 237 | 656 | 785 | 1 322 |
| Aug-Nov | 6 011 | 1 800 | 903 | 2 010 | 1 951 | 1 344 |
| Nov-Feb | 8 727 | 658 | 989 | 1 863 | 4 012 | 1 206 |
| 1985 | | | | | | |
| Feb-May | 6 476 | -155 | -677 | 3 382 | 2 733 | 1 215 |
| May-Aug | 3 485 | 644 | -3 | -579 | 1 077 | 2 344 |
| Aug-Nov | 5 176 | 603 | -334 | -454 | 3 018 | 2 352 |
| Nov-Feb | 5 029 | 28 | 582 | 980 | 2 205 | 1 259 |
| 1986 | | | | | | |
| Feb-May | 9 491 | 520 | -202 | 3 887 | 3 412 | 1 883 |
| May-Aug | 7 831 | 334 | 471 | 1 902 | 2 144 | 2 779 |

1 For a more detailed breakdown of these figures see Financial Statistics Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.
2 Due to the introduction of the revised analysis in November 1983, a breakdown is given only for this and later dates and any changes for the August-November 1983 period are not shown.

## UK bank lending to the public and private sectors




## UK banks' loans, advances and acceptances to UK residents




†Changes cannot be calculated for this period due to definition changes. November 1981 – February 1982 period cannot be calculated.
*See footnote [2] page 64 lower table.

## Interest rates, security prices and yields

| | Percentage rate | | | | | | Last working day | | Average of working days | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Last Friday | | | | | | | | | Financial Times index of industrial ordinary shares | | |
| | | | London clearing banks | | | | | | | 1 July 1935 = 100 | | |
| | Treasury bill yield(1) | Deposits with local authorities - 3 months (2) | Base rate | Deposit account: 7 days' notice(3) | Inter-bank - 3 month rate(4) | Sterling certificates of deposit - 3 months | Euro-dollar 3-month rate | Building Societies Association recommended rate on shares(5) | British government securities: long dated(6) - 20 years | Price index | Dividend yield | Earnings yield |
| 1979 | 16.49 | 16.94-17.5 | 17 | 15 | 16.81-17.06 | 16.69-16.88 | 14.5 | 10.5 | 12.99 | 475.5 | 6.49 | 16.61 |
| 1980 | 13.58 | 14.63-14.88 | 14 | 11.5 -12 | 14.75-14.88 | 14.75-14.88 | 17.75 | 10.5 | 13.79 | 464.5 | 7.62 | 18.14 |
| 1981 | 15.39 | 15.5 -15.69 | 14.5 | 12.25-12.5 | 15.56-15.75 | 15.63-15.75 | 13.75 | 9.75 | 14.74 | 518.5 | 6.23 | 12.12 |
| 1982 | 9.96 | 10.63 | 10 -10.25 | 6.75- 7 | 10.44-10.63 | 10.19-10.31 | 9.25 | 6.25 | 12.88 | 574.7 | 5.29 | 10.82 |
| 1983 | 9.04 | 9.31 | 9 | 5.5 | 9.34- 9.41 | 9.25- 9.31 | 9.88 | 7.25 | 10.80 | 692.6 | 4.70 | 9.58 |
| 1984 | 9.33 | 10.13 | 9.5 - 9.75 | 6 - 6.5 | 10 -10.13 | 9.75- 9.88 | 8.62 | 6.75 | 10.69 | 854.9 | 4.66 | 10.76 |
| 1985 | 11.48 | 11.94 | 11.5 | 7.69-8.03 | 11.81-11.94 | 11.69-11.81 | 7.97 | 7 | 10.62 | 1004.6 | 4.61 | 11.48 |
| 1986 | 10.94 | 11.31 | 11 | 6.69-7.00 | 11-11.13 | 11-11 13 | 6.38 | 6 | 9.87 | 1287.1 | 4.25 | 10.16 |
| 1983 O | 9.03 | 9.31 | 9 | 5.5 | 9.31- 9.38 | 9.81- 9.25 | 9.63 | 7.25 | 10.61 | 693.5 | 4.87 | 9.67 |
| N | 9.06 | 9.25 | 9 | 5.5 | 9.31- 9.34 | 9.19- 9.25 | 9.81 | 7.25 | 10.29 | 724.8 | 4.69 | 9.50 |
| D | 9.04 | 9.31 | 9 | 5.5 | 9.34- 9.41 | 9.25- 9.31 | 9.88 | 7.25 | 10.35 | 759.5 | 4.62 | 9.47 |
| 1984 J | 9.06 | 9.38 | 9 | 5.5 | 9.44- 9.5 | 9.31- 9.38 | 9.69 | 7.25 | 10.28 | 810.6 | 4.41 | 9.16 |
| F | 9.05 | 9.31 | 9 | 5.5 | 9.31- 9.38 | 9.28- 9.34 | 10.13 | 7.25 | 10.42 | 814.6 | 4.50 | 9.48 |
| M | 8.56 | 8.94 | 8.5 - 8.75 | 5.25- 5.5 | 8.94- 9 | 8.84- 8.91 | 10.75 | 6.25 | 10.23 | 866.4 | 4.34 | 9.43 |
| A | 8.54 | 8.88 | 8.5 - 8.75 | 5.25- 5.5 | 8.84- 8.91 | 8.81- 8.88 | 10.97 | 6.25 | 10.40 | 881.1 | 4.36 | 9.93 |
| M | 9.19 | 9.75 | 9 - 9.25 | 5.75- 6 | 9.69- 9.75 | 9.69- 9.81 | 11.72 | 6.25 | 10.93 | 870.6 | 4.49 | 10.44 |
| J | 9.06 | 9.5 | 9.25 | 5.75- 6 | 9.5 - 9.63 | 9.31- 9.44 | 12.19 | 6.25 | 11.15 | 824.5 | 4.79 | 11.13 |
| J | 11.69 | 12.13 | 12 | 8.75- 9 | 12.06-12.19 | 11.88-12 | 11.88 | 6.25 | 11.67 | 787.6 | 5.08 | 11.80 |
| A | 10.18 | 10.75 | 10.5 | 7.25- 7.5 | 10.69-10.75 | 10.5 -10.63 | 11.94 | 7.75 | 10.98 | 835.8 | 4.93 | 11.57 |
| S | 10.24 | 10.75 | 10.5 | 7.25- 7.5 | 10.63-10.81 | 10.47-10.53 | 11.44 | 7.75 | 10.78 | 859.3 | 4.84 | 11.51 |
| O | 10.13 | 10.5 | 10.5 | 7.25- 7.5 | 10.5 -10.56 | 10.25-10.38 | 10.19 | 7.75 | 10.69 | 865.2 | 4.89 | 11.66 |
| N | 9.26 | 9.75 | 9.5 - 9.75 | 6 - 6.5 | 9.75- 9.81 | 9.56- 9.69 | 9.19 | 7.75 | 10.32 | 913.2 | 4.67 | 11.23 |
| D | 9.33 | 10.13 | 9.5 - 9.75 | 6 - 6.5 | 10 -10.13 | 9.75- 9.88 | 8.62 | 6.75 | 10.46 | 929.6 | 4.62 | 11.73 |
| 1985 J | 11.86 | 12.25 | 12 | 8.5 - 9 | 12.25-12.38 | 12.06-12.19 | 8.56 | 6.75 | 10.96 | 977.1 | 4.42 | 11.15 |
| F | 13.91 | 14.13 | 14 | 11 -11 5 | 14.06-14.19 | 13.81-13.84 | 9.5 | 7.5 | 11.07 | 979.3 | 4.41 | 11.01 |
| M | 12.75 | 13.13 | 13 -13.5 | 10 -10.5 | 13.06-13.25 | 13 -13.13 | 9.06 | 7.5 | 10.90 | 987.1 | 4.55 | 11.32 |
| A | 12.27 | 12.63 | 12.5 -12.75 | 9.36- 9.7 | 12.63-12.81 | 12.44-12.56 | 8.62 | 8.25 | 10.68 | 969.0 | 4.70 | 11.79 |
| M | 12.16 | 12.50 | 12.5 -12.75 | 9.36- 9.7 | 12.5 -12.56 | 12.31-12.44 | 7.75 | 8.25 | 10.58 | 1003.8 | 4.58 | 11.52 |
| J | 12.56 | 12.56 | 12.5 | 9.03- 9.5 | 12.56-12.69 | 12.44-12.56 | 7.75 | 8.25 | 10.70 | 980.4 | 4.72 | 11.83 |
| J | 11.63 | 11.88 | 12 | 8.36- 8.75 | 11.56-11.94 | 11.69-11.81 | 8.19 | 8.25 | 10.44 | 935.2 | 4.96 | 12.38 |
| A | 11.31 | 11.50 | 11.5 | 7.69- 8.03 | 11.5 -11.69 | 11.31-11.44 | 8.06 | 8.25 | 10.37 | 973.6 | 4.82 | 11.88 |
| S | 11.32 | 11.38 | 11.5 | 7.69- 8.03 | 11.5- 11.56 | 11.31-11.44 | 8.12 | 7 | 10.39 | 1002.8 | 4.73 | 11.61 |
| O | 11.45 | 11.50 | 11.5 | 7.69-8.03 | 11.56-11.69 | 11.38-11.50 | 8.13 | 7 | 10.22 | 1034.23 | 4.64 | 11.35 |
| N | 11.33 | 11.50 | 11.5 | 7.69-8.03 | 11.56-11.63 | 11.38-11.50 | 8.19 | 7 | 10.27 | 1099.30 | 4.40 | 10.87 |
| D | 11.48 | 11.94 | 11.5 | 7.69-8.03 | 11.81-11.94 | 11.69-11.81 | 7.97 | 7 | 10.45 | 1113.88 | 4.45 | 11.04 |
| 1986 J | 12.47 | 12.75 | 12.50 | 8.70-9.03 | 11.81-11.94 | 12.69-12.81 | 8.00 | 7 | 10.80 | 1127.58 | 4.43 | 10.89 |
| F | 12.21 | 12.25 | 12.50 | 8.70-9.03 | 12.25-12.38 | 12.13-12.38 | 7.75 | 7 | 10.40 | 1220.80 | 4.27 | 10.32 |
| M | 11.04 | 11.25 | 11.50 | 7.50-8 | 11.13-11.31 | 11.19-11.31 | 7.47 | 7 | 9.39 | 1348.97 | 4.00 | 9.55 |
| A | 10.09 | 10.38 | 10.50 | 6.30-6.75 | 10.25-10.38 | 10.19-10.31 | 6.78 | 6 | 8.76 | 1391.12 | 3.87 | 9.49 |
| M | 9.56 | 9.75 | 10 | 6.30-6.75 | 9.69- 9.94 | 9.63- 9.75 | 7.09 | 6 | 9.00 | 1331.60 | 4.10 | 10.20 |
| J | 9.52 | 9.75 | 10 | 6.30-6.75 | 9.75- 9.88 | 9.66- 9.72 | 6.87 | 5.25 | 9.23 | 1332.13 | 4.14 | 10.03 |
| J | 9.76 | 9.88 | 10 | 5.86-6.25 | 9.88-10 | 9.75- 9.88 | 6.58 | 5.25 | 9.33 | 1309.62 | 4.21 | 10.14 |
| A | 9.56 | 9.81 | 10 | 5.82-6.25 | 9.81-9.94 | 9.63- 9.75 | 5.75 | 5.25 | 9.41 | 1262.13 | 4.37 | 10.56 |
| S | 9.93 | 9.56 | 10 | 5.82-6.25 | 10.5-10.69 | 10.44-10.56 | 6.00 | 5.25 | 9.97 | 1286.23 | 4.31 | 9.91 |
| O | 10.85 | 10.94 | 11 | 6.69-7.00 | 11.6-11.25 | 11-11.13 | 5.81 | 5.25 | 10.62 | 1262.33 | 4.42 | 10.16 |
| N | 10.96 | 11.38 | 11 | 6.69-7.00 | 11.38-11.44 | 11.19-11.25 | 6.06 | 6 | 10.80 | 1289.25 | 4.41 | 10.21 |
| D | 10.94 | 11.31 | 11 | 6.69-7.00 | 11-11.13 | 11-11.13 | 6.38 | 6 | 10.69 | 1283.58 | 4.45 | 10.50 |
| 1987 J | 10.85 | 11 | 11 | 6.69-7.00 | 11-11.13 | 10.85-11.00 | 6.25 | 6 | 10.09 | 1392.63 | 4.12 | 9.68 |
| F | 10.46 | 10.75 | 11 | 6.69-7.00 | 10.69-10.81 | 10.69-10.75 | 6.38 | 6 | 9.83 | 1529.60 | 3.72 | 8.72 |
| M | 9.54 | 9.69 | 10 | 5.35-5.75 | 9.69-9.81 | 9.63-9.66 | 6.83 | 6 | 9.16 | 1596.26 | 3.67 | 8.48 |
| A | 9.38 | 9.63 | 10 | 5.35-5.75 | 9.63-9.69 | 9.63-9.69 | 7.13 | 6 | 9.12 | 1554.78 | 3.77 | 8.58 |

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 For a minimum term of 3 months and thereafter at 7 days' notice.
3 Rate paid on deposits of less than £10 000,which was restricted to 9.5% from September 1973 to 28 February 1975.
4 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
5 Net of income tax where this is paid by societies at the agreed composite rate.
6 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see Financial Statistics Explanatory Handbook.

Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Inter-bank
3 month rate
Long dated
government
securities
*Financial Times* index of
industrial ordinary shares
earnings yield
Euro-dollar
3 month rate
*Financial Times* index of
industrial ordinary shares
dividend yield
1985
1986
1987

# Cyclical indicators for the UK economy

**Recent movements of the indicators**

Following its strong rise from December to March the longer leading index fell back a little in April mainly because of a lower average level of share prices in that month. Interest rates were on average little changed between March and April but, like share prices, had been a major cause of the previous rise in the composite index. Business optimism had a small upward effect between January and April while an increase in housing starts gave an upward effect between December and March.

The shorter leading index rose between December and March following several months of little change. This increase was mainly caused by movements in new consumer credit. The index fell slightly in April, but it is based on incomplete information; in particular there is no consumer credit data for April.

Following a fall between October and February, the coincident index rose in March and April although the latter figure in particular is based on incomplete information. The main upward effect in the latest period has come from retail sales, though this has been supported by recent movements in industrial production.

The lagging index has shown a sustained increase since November after some months of little change. All the components contributed to this increase.

**Definitions**

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of simpler amplitude, and inversion where appropriate.

*Information included in the table below is based on monthly and quarterly data available to 21 May.*

*Precise details on data availability for each of the component series used in the compilation of the indicators is shown in a table on page 80.*

## Recent movements of the indicators

Jan 1980=100

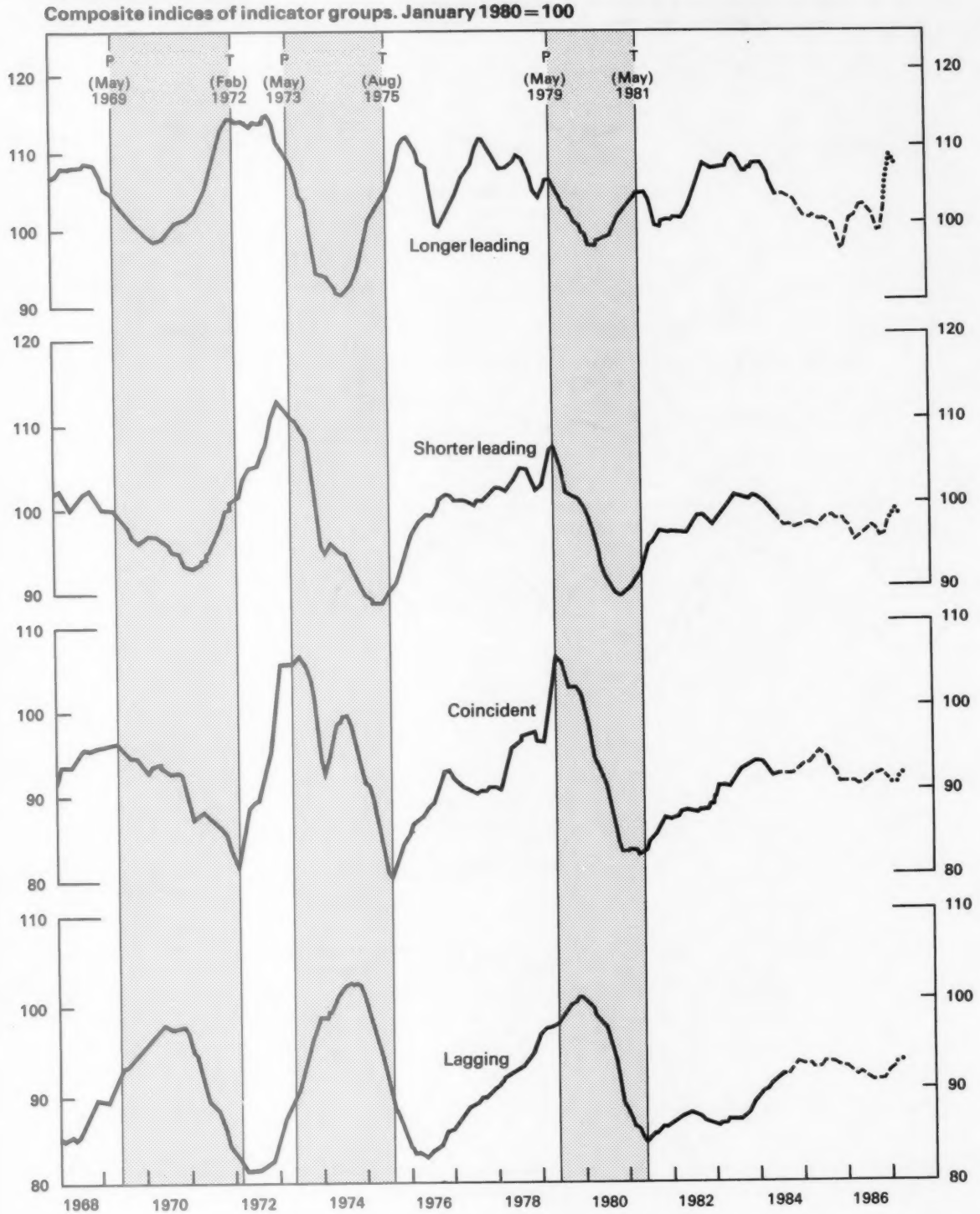
| | Most recent values January 1980=100 | | | | | | | | | | | | | Lead (-) or lag (+) in months relative to reference cycle dates | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | | | | | | | | | 1987 | | | | | | |
| | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | Mean | Earliest | Latest |
| Longer leading .. .. | 101.0<br>5 | 101.5<br>5 | 102.3<br>5 | 102.8<br>5 | 102.6<br>5 | 101.8<br>5 | 100.8<br>5 | 99.6<br>5 | 99.7<br>5 | 102.3<br>5 | 106.6<br>4 | 109.0<br>4 | 108.0<br>3 | -12 | -21 | -5 |
| Shorter leading .. | 95.9<br>5 | 96.1<br>5 | 96.5<br>5 | 96.9<br>5 | 97.3<br>5 | 97.2<br>5 | 96.7<br>5 | 96.3<br>5 | 96.7<br>5 | 98.1<br>4 | 98.6<br>4 | 99.2<br>4 | 98.8<br>2 | -5 | -12 | 0 |
| Coincident .. .. | 90.9<br>7 | 90.9<br>7 | 91.0<br>7 | 91.6<br>7 | 91.9<br>7 | 92.1<br>7 | 92.4<br>7 | 92.1<br>7 | 91.6<br>7 | 91.1<br>5 | 91.1<br>5 | 91.6<br>5 | 92.1<br>3 | 0 | -7 | 5 |
| Lagging .. .. | 92.0<br>5 | 91.8<br>5 | 91.6<br>5 | 91.3<br>5 | 91.2<br>5 | 91.3<br>5 | 91.4<br>5 | 91.4<br>5 | 92.2<br>5 | 92.5<br>5 | 93.1<br>4 | 93.3<br>4 | | +10 | +1 | +17 |

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend- elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to- month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend- elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-270 5966.

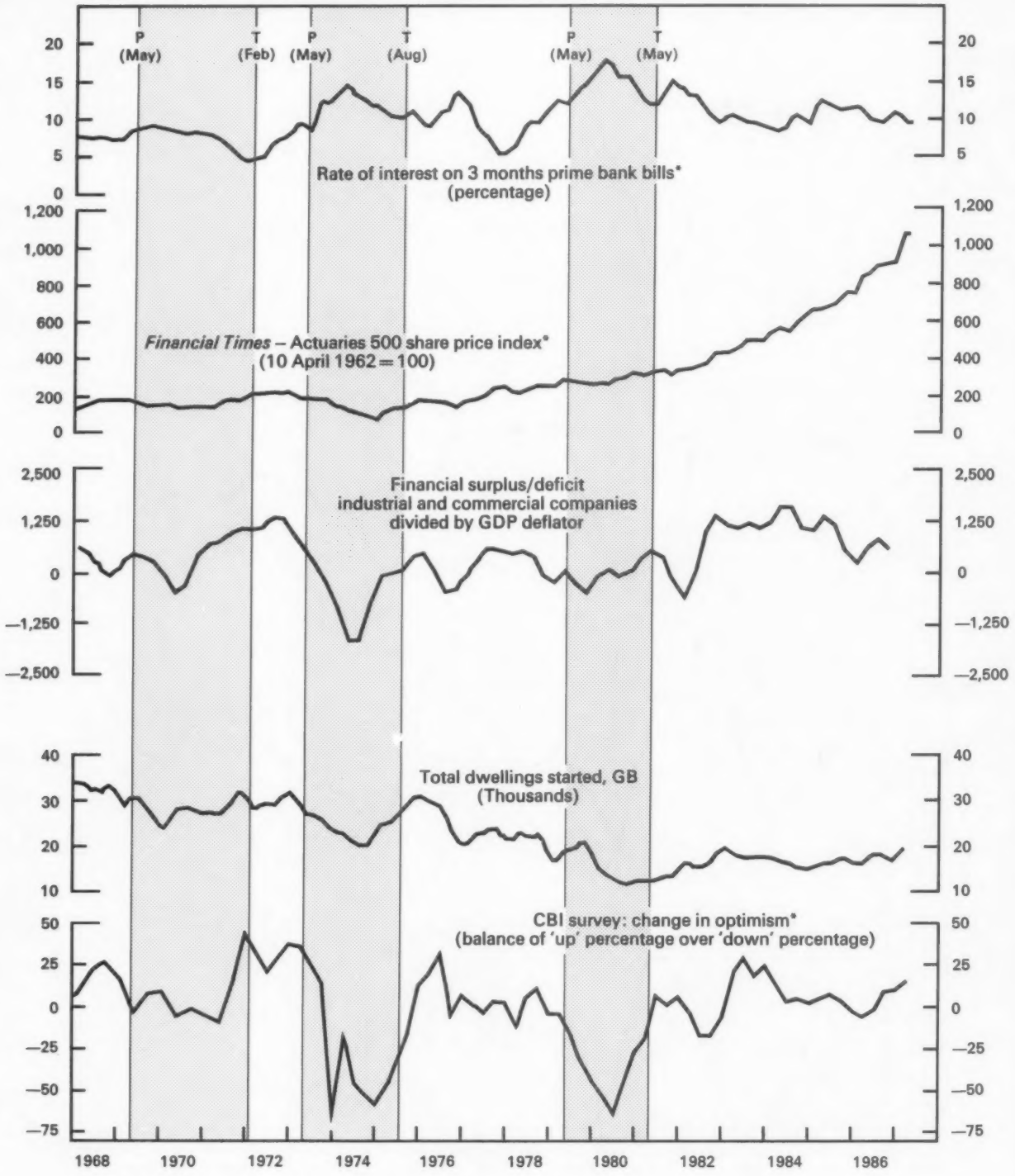
## Cyclical indicators

**Composite indices of indicator groups. January 1980 = 100**



## Cyclical indicators by timing classification

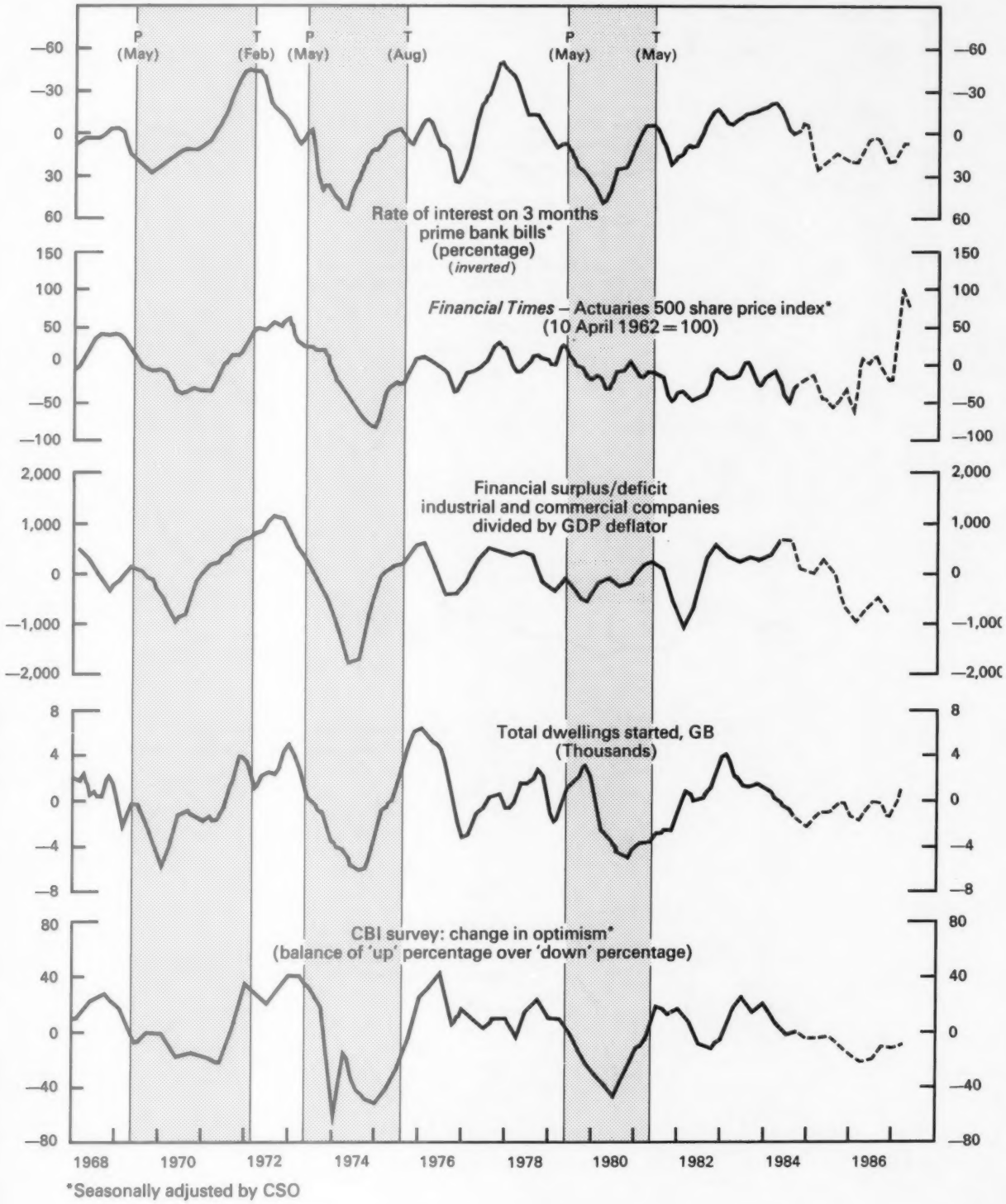
**Longer leading indicators. Smoothed seasonally adjusted series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

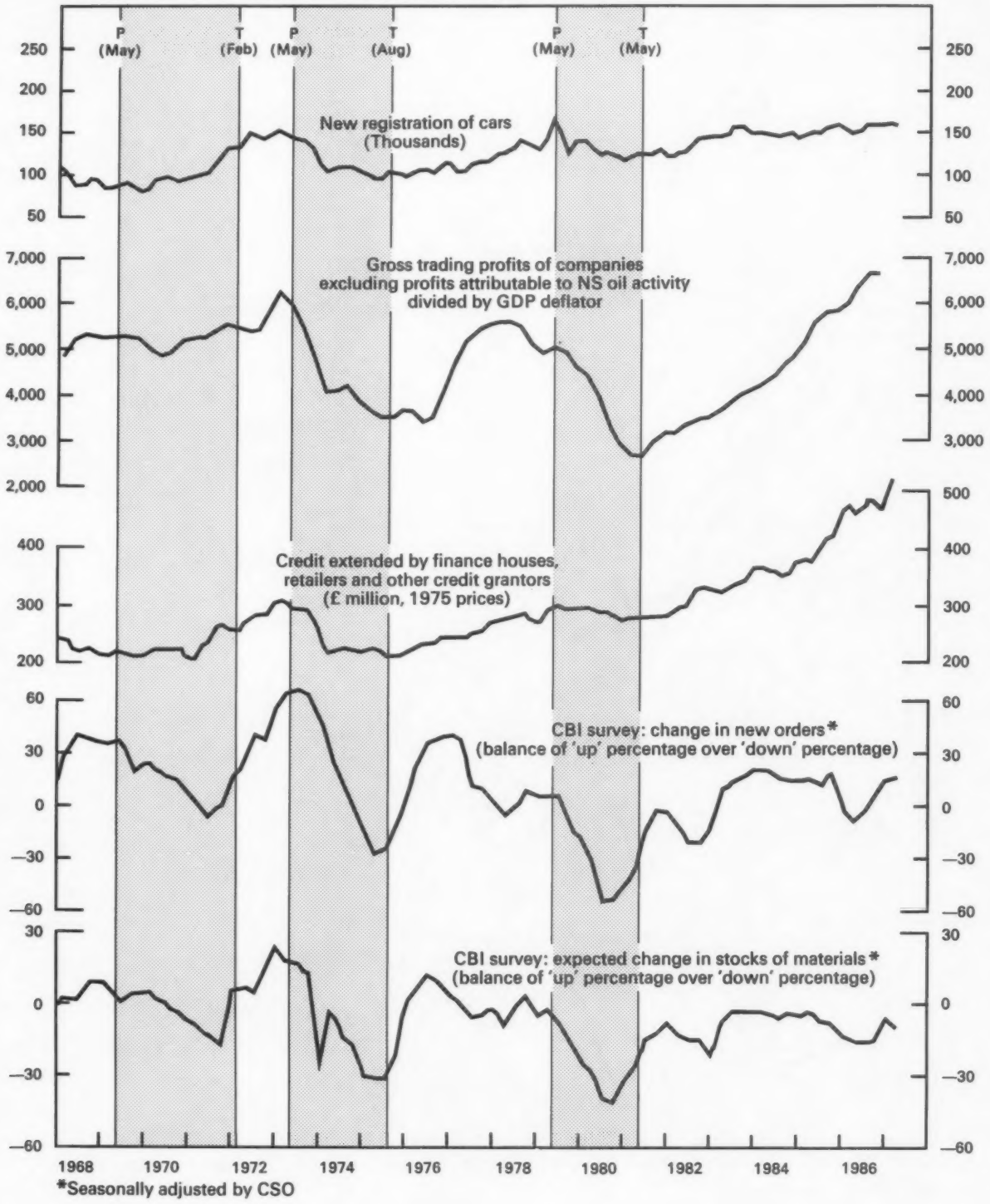
**Longer leading indicators. Smoothed trend-eliminated series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

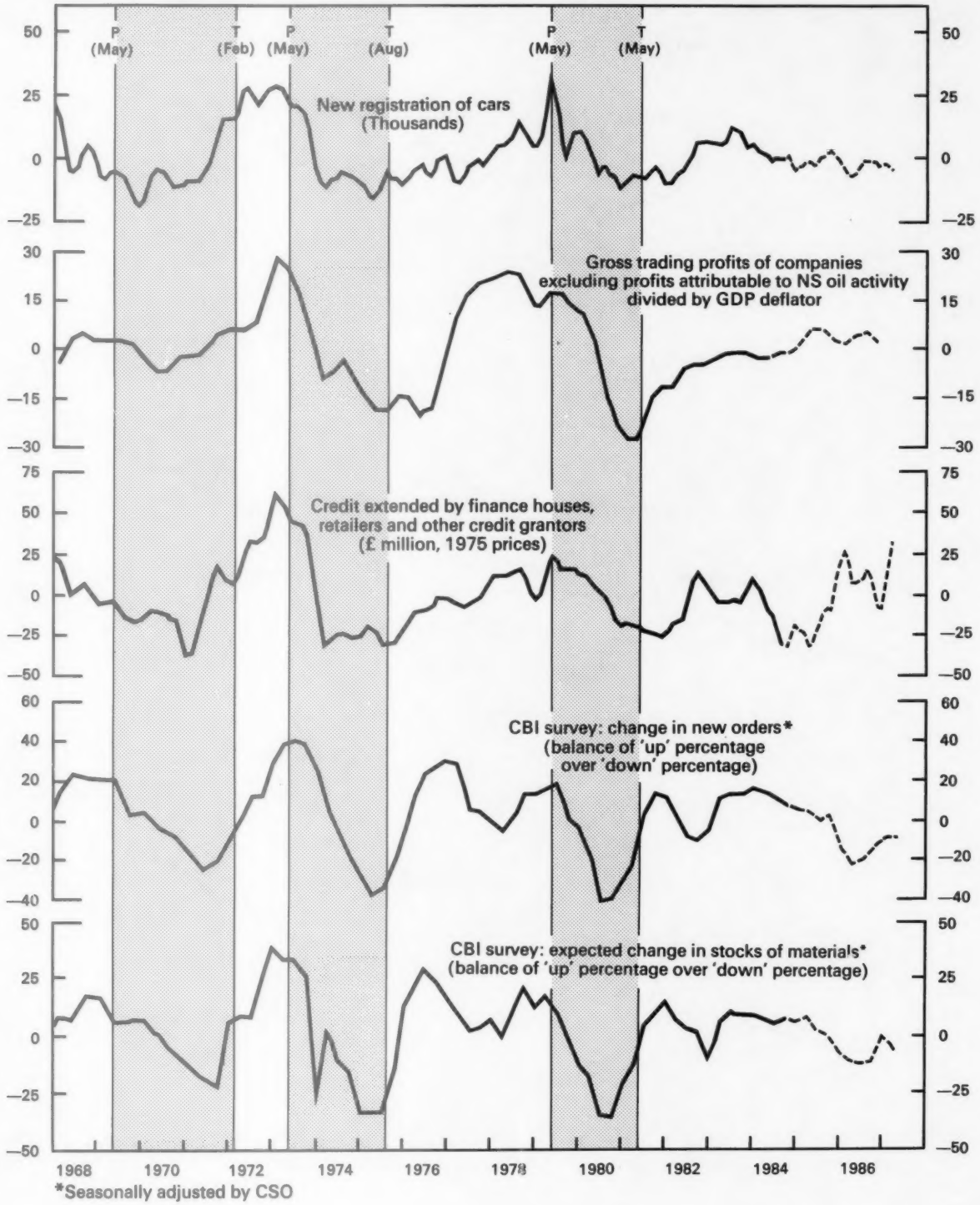
**Shorter leading indicators. Smoothed seasonally adjusted series**




*Seasonally adjusted by CSO

## Cyclical indicators by timing classification

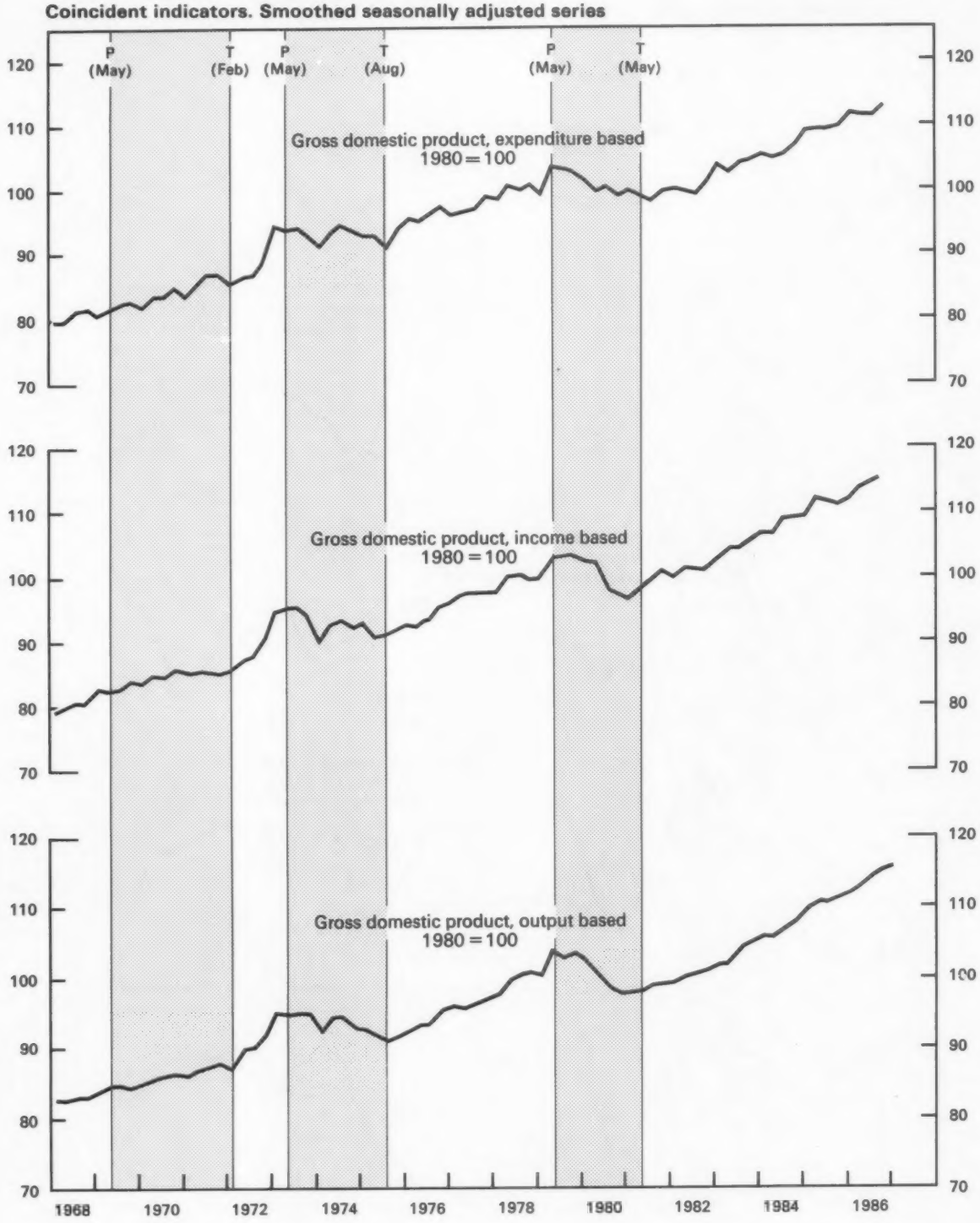
**Shorter leading indicators. Smoothed trend-eliminated series**


P (May)
T (Feb)
P (May)
T (Aug)
P (May)
T (May)
New registration of cars (Thousands)
Gross trading profits of companies excluding profits attributable to NS oil activity divided by GDP deflator
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders* (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials* (balance of 'up' percentage over 'down' percentage)
1968
1970
1972
1974
1976
1978
1980
1982
1984
1986

*Seasonally adjusted by CSO

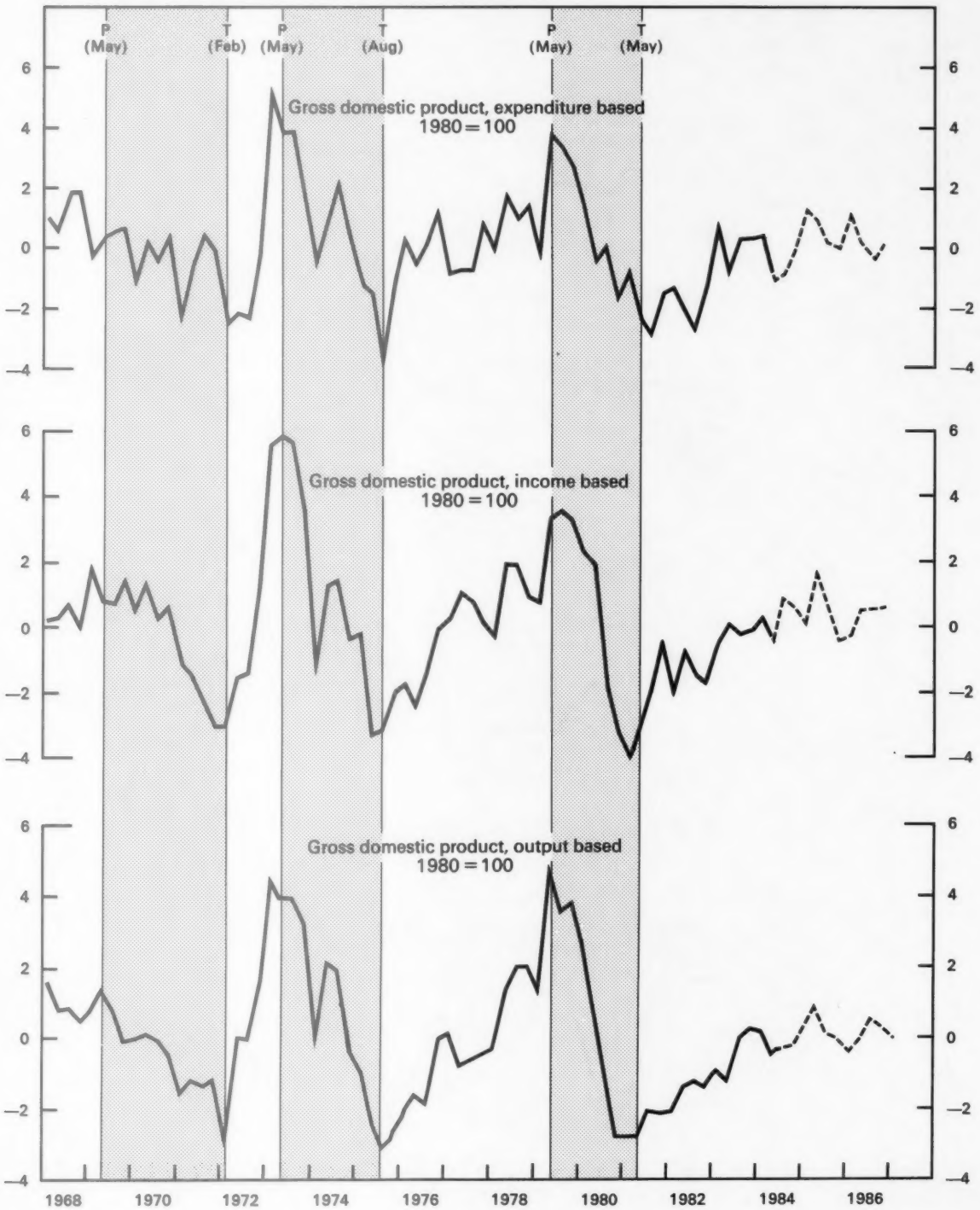
## Cyclical indicators by timing classification

**Coincident indicators. Smoothed seasonally adjusted series**



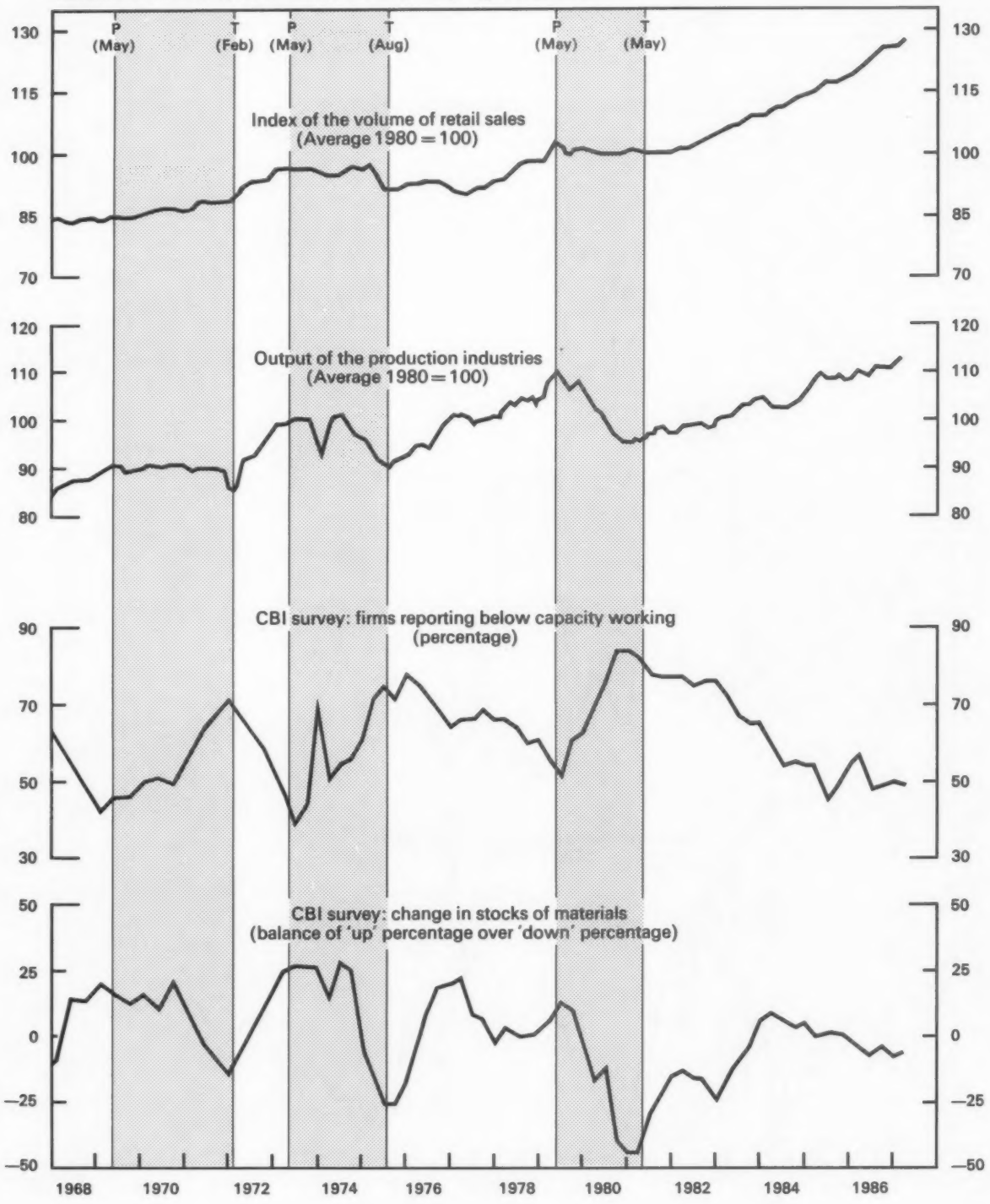
## Cyclical indicators by timing classification

**Coincident indicators. Smoothed trend-eliminated series**



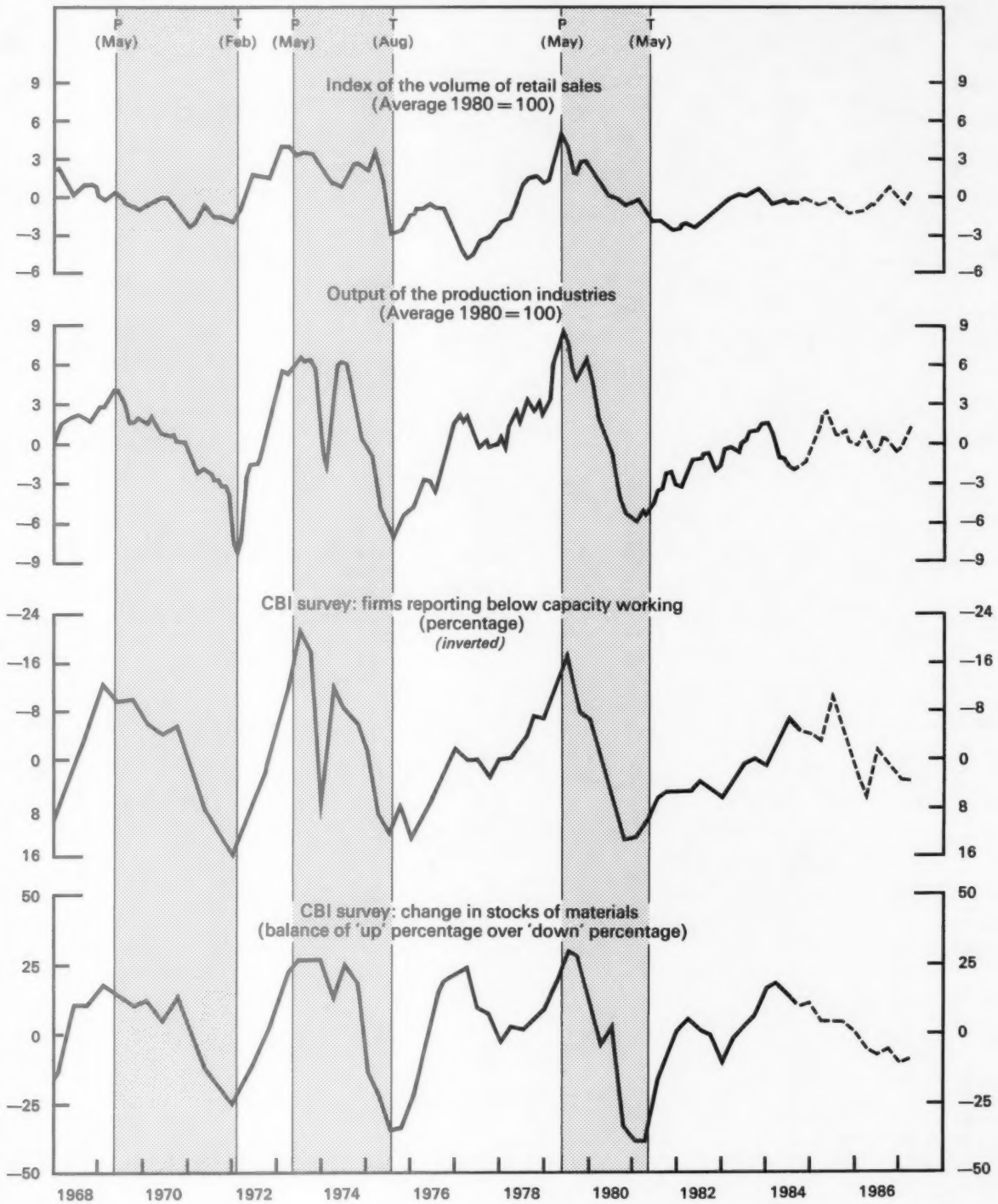
## Cyclical indicators by timing classification

**Coincident indicators. Smoothed seasonally adjusted series**



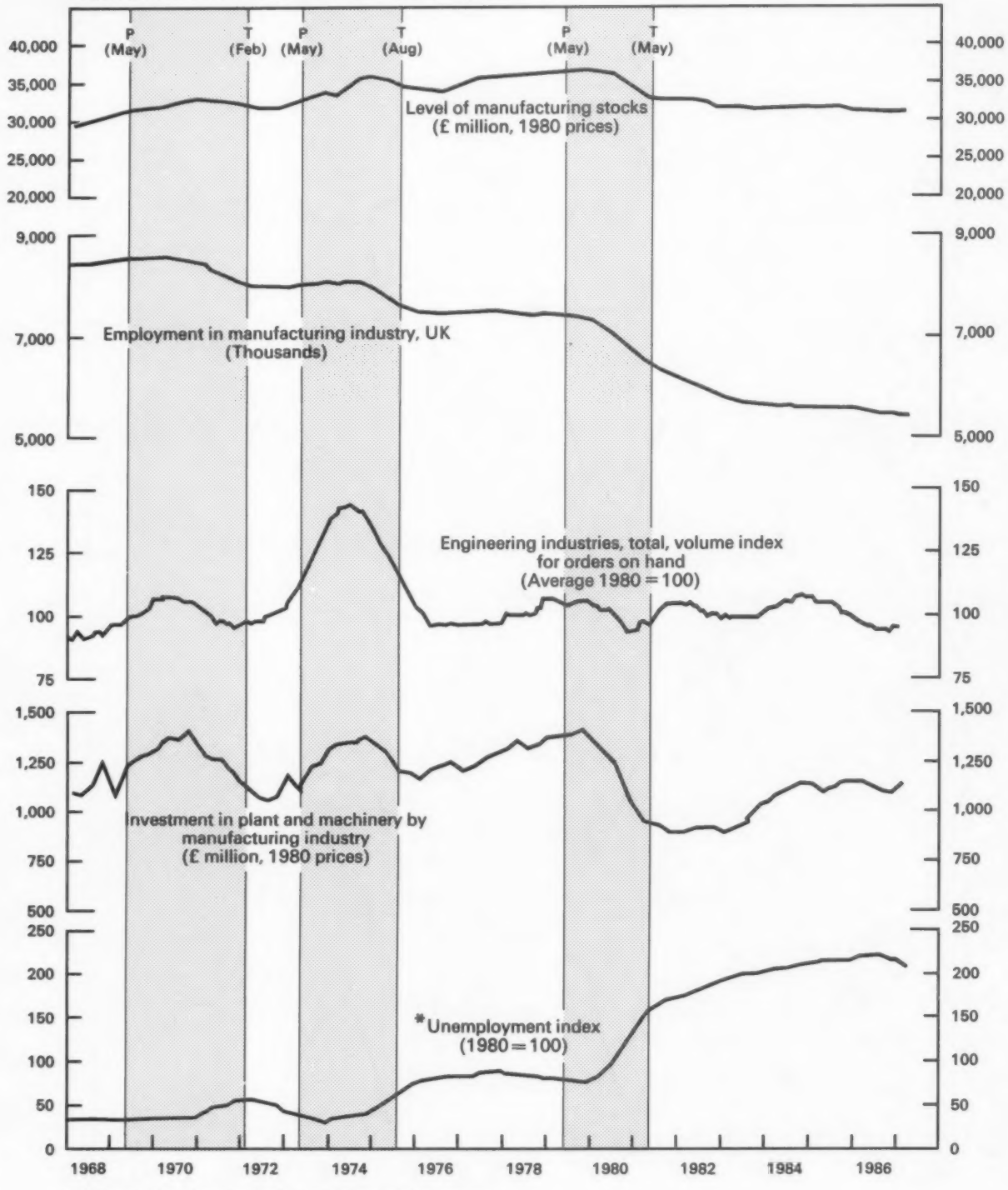
## Cyclical indicators by timing classification

**Coincident indicators. Smoothed trend-eliminated series**



## Cyclical indicators by timing classification

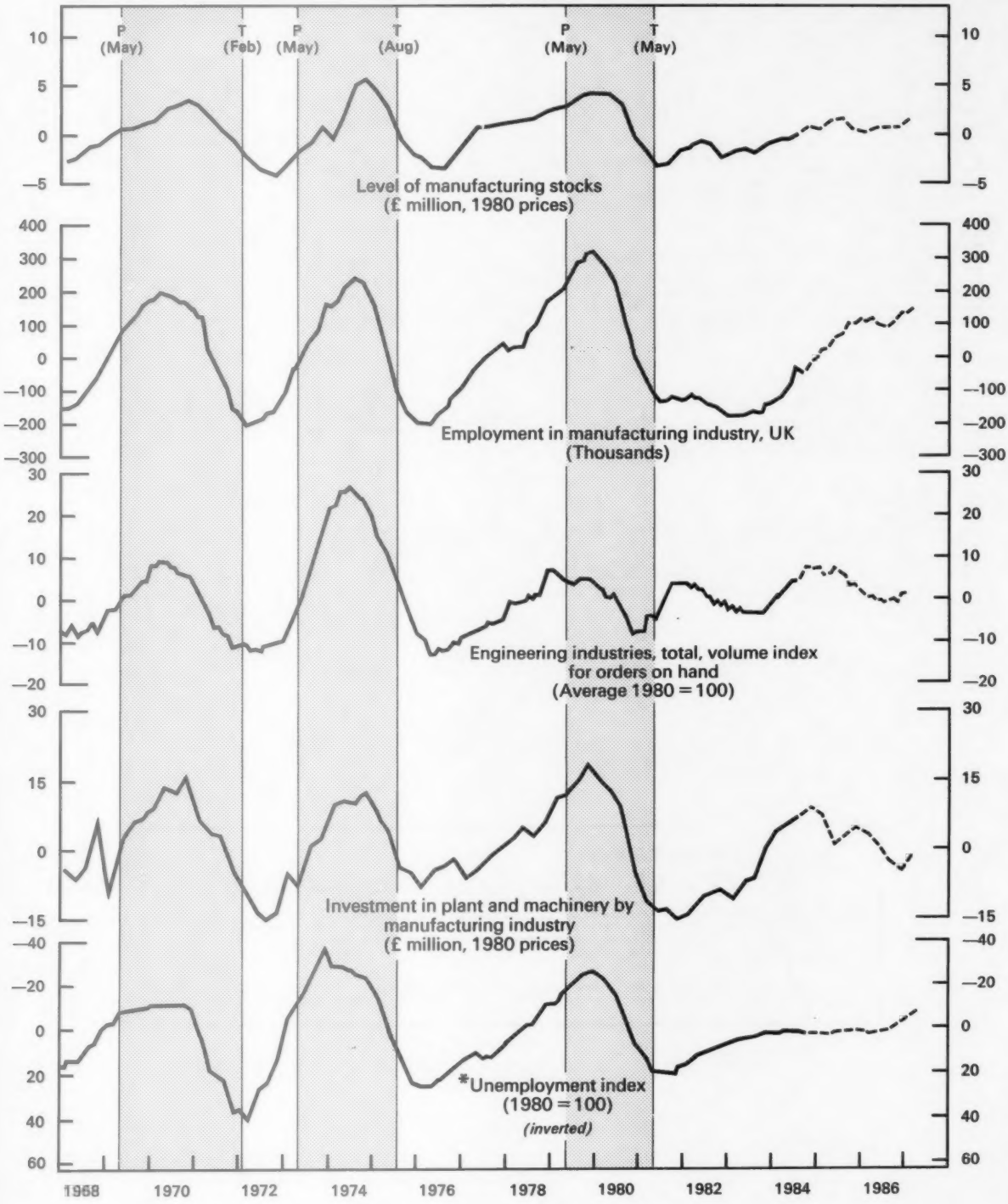
**Lagging indicators. Smoothed seasonally adjusted series**




* Adjusted for changes in the coverage of the count

## Cyclical indicators by timing classification

**Lagging indicators. Smoothed trend-eliminated series**




* Adjusted for changes in the coverage of the count

## The indicators: Their timing characteristics and data availability

| Indicators | Latest data included | Timing relative to reference cycle dates (1) (-) leads, (+) lags Months: Average (mean) | Earliest | Latest |
|---|---|---|---|---|
| **Longer leading** | | | | |
| Composite longer leading index | April 1987 | -12 | -21 | - 5 |
| Component series: | | | | |
| Rate of interest, 3 months prime bank bills (2) | April 1987 | -17 | -28 | -11 |
| Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator | 1986 Q4 | -15 | -21 | - 9 |
| Total dwellings started, Great Britain | February 1987 | -10 | -25 | + 6 |
| Financial Times - Actuaries 500 share index (2,3) | April 1987 | - 9 | -20 | - 4 |
| CBI quarterly survey: change in optimism (2) | April 1987 | -10 | -19 | - 4 |
| **Shorter leading** | | | | |
| Composite shorter leading index | April 1987 | - 5 | -12 | 0 |
| Component series: | | | | |
| Credit extended by finance houses, retailers and other credit grantors | March 1987 | - 6 | -15 | + 3 |
| New car registrations | March 1987 | - 7 | -26 | 0 |
| CBI quarterly survey: change in new orders (2) | April 1987 | - 8 | -28 | + 2 |
| CBI quarterly survey: expected change in stocks of materials (2) | April 1987 | - 5 | -15 | - 2 |
| Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator | 1986 Q4 | - 6 | -18 | 0 |
| **Roughly coincident** | | | | |
| Composite coincident index | April 1987 | 0 | - 7 | + 5 |
| Component series: | | | | |
| Gross domestic product (expenditure) | 1986 Q4 | + 1 | - 9 | +10 |
| Gross domestic product (output) | 1987 Q1 | - 2 | - 7 | + 1 |
| Gross domestic product (income) | 1986 Q4 | + 1 | - 3 | + 5 |
| Volume of retail sales | April 1987 | - 3 | -15 | + 6 |
| Output of the production industries | March 1987 | - 1 | - 4 | + 2 |
| CBI quarterly survey: capacity utilisation | April 1987 | + 2 | - 3 | + 7 |
| CBI quarterly survey: change in stocks of materials | April 1987 | - 1 | - 6 | + 8 |
| **Lagging** | | | | |
| Composite lagging index | March 1987 | +10 | + 1 | +17 |
| Component series: | | | | |
| Unemployment index (3) | March 1987 | + 6 | - 1 | +14 |
| Total employment in manufacturing industries United Kingdom | March 1987 | + 8 | - 1 | +15 |
| Investment in plant and machinery, manufacturing industry | 1987 Q1 | +11 | + 6 | +18 |
| Engineering industries, volume index for orders on hand | January 1987 | + 7 | - 4 | +15 |
| Level of stocks and work in progress, manufacturing industry | 1987 Q1 | +11 | 0 | +20 |

1 Assessed on performance up to last identified trough, May 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.


### HOW TO FIND THE FIGURES

Earnings, betting and gaming, travel, population projections and estimates, retailing trade, education in schools, universities - do you know where to get the essential facts and figures?

Government Statistics - a brief guide to sources is a free booklet listing the most important, regular publications containing official statistics. It also gives departmental contact points for statistical information including addresses and telephone numbers of the enquiry points at the Central Statistical Office, the Statistics and Market Intelligence Library and the Business Statistics Office.

For the 1987 Edition write to the Information Services Division, Room 58/G, Government Offices, Great George Street, London, SW1P 3AQ, enclosing a stamped addressed envelope.

## Measures of variability of selected economic series (1)

| | Page | Period covered | Average percentage changes $\overline{CI}$ | $\overline{I}$ | $\overline{C}$ | $\overline{I}/\overline{C}$ | MCD or QCD | $\overline{I}/\overline{C}$ for MCD (or QCD) span |
|---|---|---|---|---|---|---|---|---|
| Quarterly series | | | | | | | | |
| National income and components at 1980 prices | | | | | | | | |
| GDP, factor cost | | | | | | | | |
| Expenditure based | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.4 | 1.0 | 0.9 | 1.1 | 2 | 0.4 |
| Income based | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.2 | 0.7 | 0.9 | 0.8 | 1 | 0.8 |
| Output based | 6,28 | 1st quarter 1970 to 2nd quarter 1986 | 1.0 | 0.6 | 0.8 | 0.7 | 1 | 0.7 |
| Average estimate | 6 | 1st quarter 1970 to 2nd quarter 1986 | 1.0 | 0.6 | 0.8 | 0.8 | 1 | 0.8 |
| Consumers' expenditure | 8,10 | 1st quarter 1970 to 2nd quarter 1986 | 1.1 | 0.7 | 0.8 | 0.8 | 1 | 0.8 |
| Fixed capital formation | | | | | | | | |
| Total | 8,16 | 1st quarter 1970 to 2nd quarter 1986 | 2.3 | 1.7 | 1.3 | 1.3 | 2 | 0.5 |
| Manufacturing industry | 18 | 1st quarter 1970 to 2nd quarter 1986 | 3.2 | 1.5 | 2.5 | 0.6 | 1 | 0.6 |
| Stockbuilding(2) | | | | | | | | |
| Total | 8,22 | 1st quarter 1970 to 2nd quarter 1986 | 412.0 | 280.1 | 257.5 | 1.1 | 2 | 0.5 |
| Manufacturing | 22 | 1st quarter 1970 to 2nd quarter 1986 | 279.3 | 180.9 | 170.6 | 1.1 | 2 | 0.5 |
| Exports: goods and services | 8 | 1st quarter 1970 to 2nd quarter 1986 | 2.9 | 2.3 | 1.6 | 1.4 | 2 | 0.6 |
| Imports: goods and services | 8 | 1st quarter 1970 to 2nd quarter 1986 | 3.1 | 2.3 | 2.1 | 1.1 | 2 | 0.4 |
| Real personal disposable income | 10 | 1st quarter 1970 to 2nd quarter 1986 | 1.7 | 1.4 | 1.1 | 1.2 | 2 | 0.3 |
| Other national income series | | | | | | | | |
| Gross trading profits of industrial and commercial companies | 60 | 1st quarter 1970 to 2nd quarter 1986 | 6.4 | 3.2 | 4.7 | 0.7 | 1 | 0.7 |
| Other quarterly series | | | | | | | | |
| Construction output(3) | 30 | 1st quarter 1970 to 2nd quarter 1986 | 2.0 | 1.4 | 1.3 | 1.1 | 2 | 0.4 |
| Public sector borrowing requirement(4) | 56 | 1st quarter 1970 to 2nd quarter 1986 | 787.6 | 586.2 | 378.8 | 1.5 | 2 | 0.7 |
| Personal saving ratio(5) | 10 | 1st quarter 1970 to 2nd quarter 1986 | 1.5 | 1.3 | 0.7 | 2.0 | 2 | 0.6 |
| Monthly series | | | | | | | | |
| Retail sales | | | | | | | | |
| Food retailers | 12 | January 1971 to February 1987 | 0.9 | 0.8 | 0.3 | 3.0 | 4 | 0.8 |
| Mixed retail businesses | 12 | January 1971 to February 1987 | 2.0 | 1.9 | 0.5 | 3.7 | 4 | 1.0 |
| Clothing and footwear retailers | 12 | January 1971 to February 1987 | 2.5 | 2.4 | 0.6 | 4.1 | 4 | 1.0 |
| Household goods retailers | 12 | January 1971 to February 1987 | 2.6 | 2.4 | 0.8 | 3.1 | 4 | 0.9 |
| Other non-food retailers | 12 | January 1971 to February 1987 | 1.4 | 1.3 | 0.4 | 3.4 | 4 | 0.9 |
| Cars: new registrations | 12 | January 1975 to December 1986 | 8.6 | 8.5 | 0.8 | 10.3 | 6 | |
| Housing: public authorities(6) | | | | | | | | |
| Starts | 20 | January 1956 to December 1985 | 12.8 | 12.5 | 2.0 | 6.3 | 6 | 1.1 |
| Completions | 20 | January 1956 to December 1985 | 8.5 | 8.4 | 1.4 | 6.2 | 6 | 1.1 |
| Housing: private | | | | | | | | |
| Starts | 20 | January 1956 to December 1985 | 9.6 | 9.4 | 1.8 | 5.2 | 6 | 1.0 |
| Completions | 20 | January 1956 to December 1985 | 8.2 | 8.2 | 0.9 | 6.6 | 6 | 1.1 |
| Index of industrial production: | | | | | | | | |
| Production industries(Revised definition) | 5,26,28 | January 1973 to October 1986 | 1.2 | 1.0 | 0.5 | 2.3 | 3 | 1.0 |
| Manufacturing industries(Revised definition) | 26,28 | January 1973 to October 1986 | 1.3 | 1.2 | 0.4 | 2.7 | 4 | 0.8 |
| Passenger car production: | | | | | | | | |
| Home market | 32 | January 1976 to December 1985 | 12.4 | 12.0 | 1.8 | 6.6 | 6 | 1.4 |
| Export | 32 | January 1976 to December 1985 | 15.1 | 14.5 | 2.7 | 5.3 | 6 | 1.1 |
| Commercial vehicle production: | | | | | | | | |
| Home market | 32 | January 1976 to December 1985 | 10.6 | 9.3 | 3.1 | 3.0 | 4 | 0.8 |
| Export | 32 | January 1976 to December 1985 | 10.2 | 9.3 | 2.8 | 3.3 | 5 | 0.8 |
| Unemployed males - excluding school-leavers(7) | (5,36) | January 1971 to October 1986 | 15.5 | 4.5 | 14.4 | 0.3 | 1 | 0.3 |
| Unemployed females - excluding school-leavers(7) | (5,36) | January 1971 to October 1986 | 6.0 | 1.7 | 5.6 | 0.3 | 1 | 0.3 |
| Vacancies unfilled at jobcentres (7) | (5,36) | April 1978 to September 1986 | 4.2 | 1.8 | 3.5 | 0.5 | 1 | 0.5 |
| Average earnings: whole economy | 40 | January 1976 to December 1982 | 1.0 | 0.3 | 1.0 | 0.3 | 1 | 0.3 |
| Exports: value, f.o.b.(8) | 48 | January 1970 to September 1985 | 4.6 | 4.3 | 1.5 | 2.9 | 3 | 0.9 |
| Imports: value, f.o.b.(8) | 48 | January 1970 to September 1985 | 4.8 | 4.4 | 1.8 | 2.5 | 3 | 0.8 |
| Money stock - £M3(9) | 5,52 | January 1980 to March 1985 | 1.2 | 0.8 | 1.1 | 0.7 | 1 | 0.7 |

1 For a complete description of these measures see article 'Measuring variability in economic time series' in Economic Trends, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes (2,4,6 and 8).
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters)for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are on average, greater than the irregular movement.
2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.
3 Series relates to Great Britain.
4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.
5 The figures in the table were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.
6 Series relate to Great Britain, though variability measures calculated from England and Wales component.
7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of Employment Gazette.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.
8 The figures have been updated as described in an article in Economic Trends, No 320, June 1980.
9 Although £M3 flows are seasonally adjusted additively, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for levels are presented as percentages of the level of the trend in the preceding month.

# INTERNATIONAL COMPARISONS OF TAXES AND SOCIAL SECURITY CONTRIBUTIONS IN 20 OECD COUNTRIES 1973-1984*

F.J.P. HACKMAN, Central Statistical Office

**Limitations of the comparisons**

The comparisons made in this article indicate only broadly the relative importance of taxation in different countries. They are affected by various factors.

Total taxation, the form of taxation and the composition of taxes reflect differences between countries in their economic and financial structures and in the degree of government involvement in providing services and financial support (for example medical care and retirement pensions).

Comparisons are also affected by the methods governments choose to achieve their aims, for example government tax receipts may be reduced through a system of tax reliefs, or a gross system may be adopted under which money is collected in taxes and then handed back as cash grants.

The extent to which governments finance their expenditure by borrowing or from taxation varies between countries and over time and has an effect on the ratios of taxes to the gross national product.

Including or excluding social security contributions can have a marked effect on comparisons between countries.

The figures relate to total tax yields in each country: they reveal nothing about the incidence of tax on different groups.

* Articles making comparisons of this nature have appeared in *Economic Trends* regularly since 1969, but the earlier articles contained less country detail. The latest article preceding this one was in the May 1986 issue. Detailed figures for each country for 1973, 1976 and 1978 onwards are given in the Appendix, but summary tables are confined to those countries for which the necessary data are available for the three periods shown. The percentages are derived from data compiled according to standardised international definitions; further information on sources and definitions is given in the Technical Notes. On this occasion the OECD publications on which the article is based omitted data for 1974 for all countries and for 1984 for the United States of America.

Countries are compared on three criteria in this article. These are: first, the overall percentage of gross national product at factor cost taken by taxes and social security contributions during 1973 to 1984, together with, preliminary estimates for 1985; of taxes and social security contributions as a percentage of gross domestic product at market prices; second, the distribution of total taxation among various categories of tax; and third, the percentage of household income taken by direct taxes and social security contributions.

The comparisons are supplemented by technical notes which discuss sources of data, as well as differences between the United Kingdom system of national accounts and international definitions.

## Overall comparisons, 1973 to 1984

Countries differ greatly in the percentage of gross national product taken by taxes and social security contributions. Figures for 16 OECD countries (excluding the United States of America, for which data are not available for the latest years) are given in Table A. Denmark headed the list in 1984, with taxes and social security contributions equal to 60 per cent of the gross national product. In Sweden, Norway, France, the Netherlands and Belgium they were 50 percent or more. Denmark, Sweden and Norway have occupied the top three places, though in differing orders since 1973. At the other end of the scale was Japan, where taxes and social security contributions equalled only 30 per cent of the gross national product. The United Kingdom had moved from eleventh position (36 per cent) in 1973 to tenth position (45 per cent) in 1984, after being ninth (39 percent) in 1979.

A higher percentage of gross national product was taken by taxes and social security contributions in 1984 than 1973 in all the countries, other than Norway shown in Table A. Italy had the biggest increase, with a rise of 15 percentage points. Other large increases occurred in Belgium, France, Greece, and Sweden. There was little change between 1973 and 1984 in the percentage shares recorded for Canada and Germany.

**Taxes and social security contributions as a percentage of gross national product at factor cost**

TABLE A

| | 1973 | | 1979 | | 1984 | |
|---|---|---|---|---|---|---|
| | Percentage | Rank | Percentage | Rank | Percentage | Rank |
| **Including social security contributions** | | | | | | |
| Denmark | 49 | 2 | 54 | 3 | 60 | 1 |
| Sweden | 47 | 3 | 55 | 2 | 59 | 2 |
| Norway | 55 | 1 | 56 | 1 | 55 | 3 |
| France | 41 | 7 | 47 | 7 | 52 | 4 |
| Netherlands [1] | 47 | 4 | 50 | 4 | 51 | 5 |
| Belgium [2] | 41 | 8 | 48 | 6 | 51 | 6 |
| Austria | 46 | 5 | 49 | 5 | 49 | 7 |
| German Fed. Rep. | 44 | 6 | 46 | 8 | 46 | 8 |
| Italy | 30 | 12 | 35 | 11 | 45 | 9 |
| United Kingdom | 36 | 11 | 39 | 9 | 45 | 10 |
| Finland | 38 | 9 | 37 | 10 | 41 | 11 |
| Greece [2] | 26 | 15 | 32 | 14 | 38 | 12 |
| Canada | 37 | 10 | 35 | 22 | 38 | 13 |
| Australia | 29 | 13 | 33 | 13 | 37 | 14 |
| Switzerland [2] | 28 | 14 | 31 | 15 | 32 | 15 |
| Japan | 23 | 16 | 26 | 16 | 30 | 16 |
| United States | 32 | | 31 | | .. | |

| | 1973 | | 1979 | | 1984 | |
|---|---|---|---|---|---|---|
| | Percentage | Rank | Percentage | Rank | Percentage | Rank |
| **Excluding social security contributions** | | | | | | |
| Denmark | 48 | 1 | 53 | 1 | 57 | 1 |
| Sweden | 38 | 3 | 40 | 3 | 44 | 2 |
| Norway | 39 | 2 | 42 | 2 | 42 | 3 |
| Australia | 29 | 8 | 33 | 6 | 37 | 4 |
| United Kingdom | 30 | 7 | 32 | 7 | 37 | 5 |
| Austria | 35 | 4 | 34 | 5 | 35 | 6 |
| Belgium [2] | 28 | 11 | 35 | 4 | 35 | 7 |
| Finland | 32 | 6 | 31 | 8 | 35 | 8 |
| Canada | 34 | 5 | 31 | 10 | 33 | 9 |
| Italy | 18 | 15 | 21 | 15 | 30 | 10 |
| France | 25 | 12 | 27 | 12 | 30 | 11 |
| German Fed. Rep. | 29 | 9 | 29 | 11 | 28 | 12 |
| Netherlands [2] | 29 | 10 | 31 | 9 | 28 | 13 |
| Greece [2] | 19 | 14 | 23 | 13 | 26 | 14 |
| Switzerland [2] | 20 | 13 | 22 | 14 | 22 | 15 |
| Japan | 18 | 15 | 18 | 16 | 21 | 16 |
| United States | 25 | | 25 | | .. | |

1 Data for 1973 are not comparable with later years

2 Former SNA — for details, see Technical Notes.

In the United Kingdom, the percentage rose from 36 per cent to 39 per cent between 1973 and 1976 then, as Table 1 of the Appendix shows, it remained at about the same level until 1979. It rose gradually to reach 45 per cent in 1982, and has remained at that level, or marginally below, since then.

An assessment based on taxes alone, that is excluding social security contributions, can yield marked differences in the rankings for some countries. In 1984, Australia ranked fourth in the list of countries on this basis, compared with fourteenth for one taken on taxes plus contributions: this is because no separate social security contributions are collected there. The United Kingdom ranked fifth instead of tenth. On the other hand, where social security contributions are a substantial part of the total tax revenues, those countries ranked lower. The Netherlands took thirteenth instead of fifth place and France eleventh instead of fourth position.

### Preliminary estimates for 1985

For some member countries of OECD, provisional data for 1985 are available from the latest edition of *OECD Revenue Statistics*. These figures are not on the same basis as those contained in the rest of the article, and figures for 1985 are preliminary estimates. Table B gives a comparison using these data.

### Total receipts from taxes and social security contributions as a percentage of gross domestic product at market prices

TABLE B

| | 1984 | 1985 | Change |
|---|---|---|---|
| Sweden | 50.6 | 50.6 | 0.0 |
| Denmark | 47.3 | 49.4 | + 2.1 |
| Norway | 46.3 | 47.8 | + 1.5 |
| France | 45.4 | 45.6 | + 0.2 |
| Netherlands | 45.4 | 44.8 | − 0.6 |
| Austria | 42.0 | 42.3 | + 0.3 |
| United Kingdom | 38.6 | 38.6 | 0.0 |
| Irish Republic | 40.1 | 38.4 | − 1.7 |
| German Federal Republic | 37.3 | 38.0 | + 0.7 |
| Finland | 37.1 | 37.1 | 0.0 |
| Canada | 34.8 | 34.1 | − 0.7 |
| Switzerland | 32.2 | 32.0 | − 0.2 |
| Portugal | 31.2 | 31.5 | + 0.3 |
| Turkey | 14.4 | 15.6 | + 1.2 |

Countries differ widely in the changes shown between 1984 and 1985 in the proportion of gross domestic product taken by taxes and social security contributions. Half the countries showed an increase; for the United Kingdom, there was no change.

These changes did not greatly alter the ranking of the countries. Although the corresponding set of estimates on a national accounts basis is not yet available, this is likely to give a similar picture.

### Percentage distribution of total taxes and social security contributions by category

The share of total taxation derived from direct taxes on households was higher for most countries in 1984 than in 1973 (see Table C). This was particularly so in Belgium. A reduction was shown in four countries: the Netherlands, the United Kingdom, the German Federal Republic and Sweden.

### Percentage of total taxes and social security contributions derived from direct taxes on households [1]

TABLE C

| | 1973 | 1979 | 1984 |
|---|---|---|---|
| Australia | 41 | 44 | 45 |
| Finland | 40 | 39 | 41 |
| Switzerland [2] | 40 | 41 | 41 |
| Sweden | 42 | 43 | 39 |
| Canada | 34 | 35 | 36 |
| Belgium [2] | 28 | 37 | 36 |
| United Kingdom | 33 | 31 | 28 |
| Austria | 25 | 27 | 28 |
| German Federal Republic | 28 | 26 | 25 |
| Japan | 24 | 23 | 24 |
| Netherlands | 28 | 28 | 22 |
| France | 13 | 14 | 16 |
| Greece [2] | 12 | 13 | 14 |

1 Including payments made by unincorporated businesses (except for the German Federal Republic and the Netherlands but these exceptions do not materially affect the comparisons) and, for those countries which have adopted the Present SNA, motor vehicle licence duties paid by households.
2 Former SNA.

In the United Kingdom, the share rose to a peak of 39 per cent in the mid 1970's. It has subsequently declined each year, reaching a level of 28 per cent by 1984. A large part of this fall occurred between 1978 and 1979, reflecting the shift from direct to indirect taxation in the 1979 Budget.

### Percentage of total taxes and social security contributions derived from direct taxes on corporate income

TABLE D

| | 1973 | 1979 | 1984 |
|---|---|---|---|
| Japan | 20 | 17 | 18 |
| Canada | 14 | 13 | 12 |
| United Kingdom | 8 | 8 | 12 |
| Australia | 15 | 10 | 9 |
| Belgium [2] | 8 | 7 | 7 |
| Netherlands [1] | 7 | 6 | 6 |
| France | 7 | 5 | 5 |
| Finland | 5 | 5 | 5 |
| Switzerland [2] | 5 | 4 | 5 |
| German Federal Republic [1] | 4 | 5 | 5 |
| Austria | 4 | 4 | 4 |
| Sweden | 3 | 2 | 4 |
| Greece [2] | 3 | 4 | 3 |

1 Including payments by unincorporated businesses.
2 Former SNA.

Direct taxes on corporate income have remained fairly constant as a proportion of total taxation over the ten year period or have declined slightly, in most countries (see Table D). The main exceptions are Australia (where the percentage share has declined more rapidly, to six percentage points lower in 1984 than in 1973) and the United Kingdom (where the share, after dropping in the mid 1970's, has been rising fairly steadily, mainly because of the increasing importance of taxes on North Sea oil profits).

### Percentage of total taxes and social security contributions derived from indirect taxes

TABLE E

| | 1973 | 1979 | 1984 |
|---|---|---|---|
| Greece [1] | 57 | 53 | 49 |
| Australia | 43 | 45 | 46 |
| United Kingdom | 41 | 43 | 42 |
| Finland | 40 | 41 | 40 |
| Austria | 46 | 40 | 40 |
| Canada | 42 | 40 | 39 |
| Denmark | 40 | 43 | 38 |
| Norway | 38 | 36 | 36 |
| France | 42 | 37 | 35 |
| Sweden | 35 | 27 | 32 |
| German Federal Republic | 34 | 32 | 31 |
| Italy | 37 | 31 | 29 |
| Japan | 33 | 30 | 28 |
| Netherlands [2] | 27 | 27 | 26 |
| Belgium [1] | 32 | 27 | 26 |
| Switzerland [1] | 25 | 23 | 22 |

1 Former SNA.
2 Data for 1973 are not comparable with later years.

Table E shows a decline in indirect taxes as a percentage of total taxation from 1973 to 1984 in all countries except Australia, the United Kingdom and Finland. The largest falls were in Greece and Italy, each down 8 percentage points. France, Austria, Belgium and Japan also each experienced large falls.

In the United Kingdom, the share of tax revenue obtained from indirect taxes fell from 1973 to 1976 but thereafter started to rise, jumping sharply to a level of 43 per cent in 1979 following the shift from direct to indirect taxes in the Budget that year. It remained at or above this level until 1981, but then fell back slightly to about 42 per cent by 1984.

Social security contributions as a percentage of total taxation are shown in Table F. This proportion increased between 1973 and 1984 in about three-quarters of the countries for which data are available. The largest rises occurred in the Netherlands and Japan (each up 6 percentage points), closely followed by France and Sweden (each up 6 percentage points). Decreases were recorded in Italy, Norway and Finland.

In the United Kingdom, the share increased from 16 per cent in 1973 to 18 per cent in 1984 with, as shown in Appendix Table 4, an intervening peak of 19 per cent in the late 1970's.

### Percentage of total taxes and social security contributions derived from social security contributions

TABLE F

| | 1973 | 1979 | 1984 |
|---|---|---|---|
| Netherlands | 38 | 39 | 45 |
| France | 38 | 43 | 44 |
| German Federal Republic | 34 | 37 | 39 |
| Italy | 41 | 39 | 34 |
| Greece [1] | 27 | 29 | 32 |
| Belgium | 31 | 29 | 31 |
| Switzerland [1] | 27 | 30 | 31 |
| Japan | 22 | 29 | 29 |
| Austria | 24 | 29 | 29 |
| Sweden | 20 | 27 | 26 |
| Norway | 29 | 26 | 24 |
| United Kingdom | 16 | 17 | 18 |
| Finland | 16 | 15 | 14 |
| Canada | 9 | 11 | 13 |
| Denmark | 2 | 2 | 4 |
| Australia | 0 | 0 | 0 |

1 Former SNA.

Receipts from taxes on capital are relatively small in most countries. Over the last ten years, the tendency has been for the contributions which these taxes make to the total either to remain almost unchanged or to show a decline.

### Direct taxes on households and social security contributions as a percentage of total personal income in 1973, 1979 and 1984.

The proportion of household income taken by direct taxes and social security contributions varies considerably from country to country. The figures range from 16 per cent in Australia and Japan up to 35 per cent for Sweden. These percentages are influenced by the factors described above under 'limitations of the comparisons'.

The treatment of employers' social security contributions also affects these comparisons. In the national accounts, both employers' and employees' social security contributions are considered to form part of personal income. The impact of taxes and contributions as perceived by the taxpayer may be better reflected by an alternative approach: this is to include only employees' contributions(1) to social security schemes in the calculations (ie to exclude employers' contributions from both numerator and denominator). Table G summarises figures on both bases.

### Percentage of total personal income taken by direct taxes on households and social security contributions

TABLE G

| | 1973 | 1979 | 1984 |
|---|---|---|---|
| Including employers' contributions | | | |
| Sweden | 29 | 36 | 35 |
| Netherlands [2] | 29 | 30 | 30 |
| German Federal Republic | 27 | 28 | 28 |
| Belgium [1] | 23 | 27 | 28 |
| France | 20 | 23 | 26 |
| Switzerland [1] | 20 | 23 | 24 |
| United Kingdom | 19 | 19 | 20 |
| Canada | 18 | 18 | 19 |
| Australia | 13 | 15 | 16 |
| Japan | 12 | 14 | 16 |
| Excluding employers' contributions | | | |
| Sweden | 25 | 26 | 25 |
| Netherlands [2] | 22 | 23 | 24 |
| Belgium [1] | 16 | 21 | 22 |
| German Federal Republic | 21 | 21 | 22 |
| Switzerland [1] | 18 | 21 | 21 |
| United Kingdom | 16 | 16 | 17 |
| Canada | 16 | 15 | 17 |
| Australia | 13 | 15 | 16 |
| France | 10 | 13 | 16 |
| Japan | 9 | 10 | 12 |

1 Former SNA. 2 Data for 1973 not comparable with later years.

The proportion of personal income taken by direct taxes and total employee's and employer's social security contributions was higher in 1984 than in 1973 in almost all countries for which data are available. The largest increases were in France and Sweden where the percentage rose by 6 points. For the United Kingdom, the share in 1984 was one percentage point higher than in 1973 and 1979.

Excluding employers' social security contributions, of course, has the overall effect of reducing the size of the percentage take (see Table G). These reductions are especially large for France, where the total percentage excluding employers' contributions was not much more than half the inclusive figure because of the relatively large importance of the employer's contribution there. In Sweden, were the sharp increase in employer's contributions in the mid 1970's is excluded from the data, the percentage of personal income taken by taxes and social secutity contributions was at much the same level in 1973, 1979 and 1984.

## TECHNICAL NOTES

### Sources

The figures in the tables for direct taxes, indirect taxes and social security contributions are based on returns supplied to the OECD by national statistical offices and summarised in *OECD National Accounts 1972 - 1984* (2). Taxes on capital — which in the national accounts presentation are included indistinguishably in capital transfers — have been derived from *Revenue Statistics of OECD Member Countries 1965 - 1985*. Figures for value added tax have also been obtained from this publication.

In this article national accounts data have been used as the prime source, because the figures will be the more consistent with other statistics which are frequently derived from the national accounts publication.

### Differences between OECD national accounts statistics and OECD Revenue Statistics

There are a few minor differences between the definitions of taxes and social security contributions used in *Revenue Statistics* and those used in the national accounts returns.

The main differencess are in the time of recording the transactions. In *Revenue Statistics* these are recorded at the time the public authority receives the money, but in the national accounts they are entered when due to be paid.

The relative positions of the countries are little affected. Table H shows rankings in descending order of the percentages scored both on a national accounts basis and on a *Revenue Statistics* basis. The United Kingdom fell eleventh on both bases in 1973; ninth on a national accounts basis and tenth according to *Revenue Statistics* in 1979; and tenth and ninth respectively in 1984. For most other countries, both sources show similar relative positions. In no case does either source rank consistently lower or higher than the other.

### Total taxes and social security contributions: percentage of GNP at factor cost and ranking

TABLE H

| | 1973 | | | | 1979 | | | | 1984 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | National Accounts [1] | | Revenue Statistics | | National Accounts [1] | | Revenue Statistics | | National Accounts [1] | | Revenue Statistics | |
| | Per-centage | Rank | Per-centage | Rank | Per-centage | Rank | Per-centage | Rank | Per-centage | Rank | Per-centage | Rank |
| Australia | 28.9 | 14 | 29.2 | 13 | 32.8 | 13 | 33.0 | 12 | 36.8 | 14 | 36.9 | 14 |
| Austria | 46.4 | 5 | 44.6 | 5 | 48.6 | 5 | 47.9 | 6 | 49.4 | 7 | 49.0 | 7 |
| Belgium [3] | 40.5 | 8 | 41.4 | 6 | 48.4 | 6 | 49.7 | 5 | 50.9 | 5 | 52.4 | 5 |
| Canada | 36.9 | 10 | 38.2 | 10 | 34.6 | 12 | 37.0 | 11 | 37.9 | 13 | 40.0 | 12 |
| Denmark | 49.4 | 2 | 49.4 | 2 | 54.1 | 3 | 54.0 | 2 | 59.0 | 2 | 59.1 | 1 |
| Finland | 37.6 | 9 | 38.4 | 9 | 36.9 | 10 | 37.9 | 9 | 40.5 | 11 | 41.6 | 11 |
| France | 40.7 | 7 | 40.8 | 8 | 46.7 | 7 | 46.8 | 7 | 52.3 | 4 | 52.5 | 4 |
| German Federal Republic | 44.2 | 6 | 40.8 | 7 | 46.0 | 8 | 42.2 | 8 | 46.3 | 8 | 42.1 | 10 |
| Greece [3] | 25.9 | 16 | 25.4 | 16 | 32.0 | 14 | 30.8 | 16 | 38.1 | 12 | 40.0 | 12 |
| Italy | 29.9 | 13 | 28.5 | 14 | 35.2 | 11 | 32.7 | 13 | 45.4 | 9 | 45.4 | 8 |
| Japan | 22.5 | 17 | 24.5 | 17 | 26.2 | 17 | 26.4 | 17 | 30.0 | 16 | 29.8 | 17 |
| Netherlands [2] | 46.6 | 4 | 45.9 | 4 | 50.4 | 4 | 49.8 | 4 | 50.9 | 5 | 50.1 | 6 |
| Norway | 55.2 | 1 | 52.5 | 1 | 56.3 | 1 | 53.2 | 3 | 54.9 | 3 | 53.9 | 3 |
| Sweden | 47.0 | 3 | 47.4 | 3 | 56.3 | 1 | 54.7 | 1 | 59.2 | 1 | 58.5 | 2 |
| Switzerland [3] | 27.5 | 15 | 26.9 | 15 | 31.2 | 16 | 31.5 | 14 | 32.0 | 15 | 32.2 | 15 |
| United Kingdom | 36.4 | 11 | 35.1 | 11 | 38.9 | 9 | 37.1 | 10 | 44.5 | 10 | 44.2 | 9 |
| United States | 31.5 | 12 | 30.0 | 12 | 31.4 | 15 | 31.0 | 15 | . . | . . | 30.4 | 16 |

1 Including taxes on capital. 2 Data for 1973 are not comparable with later years. 3 Former SNA.

### Differences between the United Kingdom system of national accounts, the Former SNA and the Present SNA.

The national accounts returns to OECD are based as far as possible on the System of National Accounts introduced by the United Nations in 1968 (the 'Present SNA'). However three countries — Belgium, Greece and Switzerland — are still only able to provide figures on the basis of the previous system (the 'Former SNA'). The figures on one basis are not strictly comparable with those on the other; but the difference in definitions has little effect on the comparisons made in this article.

The main differences between the United Kingdom system and the international systems are summarised in Table J. United Kingdom figures given in this article on a 'national accounts' basis have been converted to the Present SNA.

1 Also including contributions by the self-employed and the non-employed.

2 Volume II — declined tables (published 1986).

TABLE J

| | UK system | Former SNA | Present SNA |
|---|---|---|---|
| **Definition of gross national product at factor cost** | | | |
| i. Net property income from abroad | | | |
| a.Unremitted profits | Included | Excluded | Excluded |
| b.Profits remitted abroad | Measured after deduction of tax | Measured before deduction of tax | Measured before deduction of tax |
| ii. Rent income of public authorities (other than from dwellings) | Includes only capital consumption in place of imputed rents | Includes imputed rents before deducting interest and depreciation | Includes only capital consumption in place of imputed rents |
| **Definition of taxes** | | | |
| Direct taxes are taxes on income and indirect taxes are taxes on expenditure. There are the following differences in treatment:— | | | |
| Motor vehicle licence duties paid by households | Indirect | Indirect | Direct |
| Taxes on capital gains [1] | Capital | Capital | Direct |
| Compulsory fees, fines and penalties | Non-tax [2] | Indirect | Non-tax [2] |

1 For the United Kingdom, the betterment levy (introduced in 1967) and the development land tax (introduced in 1977) — both representing a charge on the development value of land — are classified and treated in the same way as taxes on capital gains.

2 Only compulsory fees paid by households are excluded; similar payments by businesses are treated as indirect taxes.

# APPENDIX

## Taxes and social security contributions as a percentage of gross national product at factor cost

**TABLE 1**

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| Australia[1] | 28.9 | 32.6 | 31.5 | 32.8 | 34.0 | 35.2 | 35.4 | 34.5 | 36.8 |
| Austria | 46.4 | 44.8 | 49.0 | 48.6 | 48.8 | 50.0 | 48.6 | 48.1 | 49.4 |
| Belgium[2] | 40.5 | 44.7 | 47.6 | 48.4 | 47.7 | 48.5 | 50.4 | 50.0 | 50.9 |
| Canada | 36.9 | 36.5 | 35.2 | 34.6 | 34.6 | 37.8 | 38.6 | 37.5 | 37.8 |
| Denmark | 49.4 | 48.3 | 52.0 | 54.1 | 55.4 | 55.7 | 54.5 | 57.3 | 59.0 |
| Finland | 37.6 | 42.0 | 39.3 | 36.9 | 37.0 | 39.0 | 38.6 | 38.3 | 40.5 |
| France | 40.7 | 44.7 | 44.7 | 46.7 | 48.4 | 48.5 | 50.0 | 51.0 | 52.3 |
| German Federal Republic | 44.2 | 45.8 | 46.2 | 46.0 | 46.3 | 46.3 | 46.3 | 46.0 | 46.3 |
| Greece[3] | 25.9 | 30.0 | 31.9 | 32.0 | 30.6 | 29.6 | 34.6 | 36.8 | 38.1 |
| Irish Republic | 38.3 | 42.9 | 37.5 | 37.1 | 41.8 | 44.4 | 48.6 | .. | .. |
| Italy | 29.9 | 33.0 | 35.9 | 35.2 | 37.8 | 39.6 | 42.6 | 46.4 | 45.4 |
| Japan | 22.5 | 23.4 | 24.4 | 26.2 | 27.3 | 28.8 | 29.0 | 29.3 | 30.0 |
| Luxembourg | 36.2 | 39.7 | 44.1 | 41.1 | 40.5 | .. | .. | .. | .. |
| Netherlands[3] | 46.6 | 48.3 | 50.3 | 50.4 | 51.5 | 50.8 | 50.9 | 51.5 | 50.9 |
| Norway | 55.2 | 55.6 | 56.2 | 56.3 | 58.7 | 56.6 | 56.5 | 55.6 | 54.8 |
| Spain | 21.8 | 22.9 | 24.6 | 25.8 | 27.0 | 28.4 | 28.2 | .. | .. |
| Sweden | 47.0 | 54.2 | 56.3 | 54.8 | 55.1 | 57.7 | 57.0 | 58.1 | 59.2 |
| Switzerland[2] | 27.5 | 31.9 | 31.9 | 31.2 | 30.9 | 30.5 | 31.0 | 31.5 | 32.0 |
| United Kingdom | 36.4 | 39.0 | 37.7 | 38.9 | 41.2 | 43.9 | 45.3 | 44.1 | 44.5 |
| United States | 31.5 | 31.3 | 31.4 | 31.4 | 31.5 | 32.1 | 31.3 | 30.8 | .. |

1 Fiscal years beginning on 1 July of year indicated.
2 Former SNA.
3 Data for 1973-1976 are not comparable with later years.

## Taxes as a percentage of gross national product at factor cost

**TABLE 2**

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| Australia[1] | 28.9 | 32.6 | 31.5 | 32.8 | 34.0 | 35.2 | 35.4 | 34.5 | 36.8 |
| Austria | 35.3 | 32.7 | 34.7 | 34.3 | 34.2 | 35.3 | 34.3 | 34.1 | 35.3 |
| Belgium[2] | 27.9 | 30.8 | 33.8 | 34.5 | 33.8 | 34.2 | 36.0 | 35.0 | 35.0 |
| Canada | 33.6 | 32.2 | 31.0 | 30.6 | 30.8 | 33.4 | 34.0 | 32.6 | 32.8 |
| Denmark | 48.4 | 47.7 | 51.2 | 53.3 | 54.3 | 54.4 | 52.9 | 55.0 | 56.6 |
| Finland | 31.8 | 35.0 | 33.1 | 31.3 | 31.7 | 33.8 | 33.4 | 33.3 | 34.9 |
| France | 25.4 | 26.7 | 25.8 | 26.7 | 27.5 | 27.7 | 28.3 | 28.8 | 29.5 |
| German Federal Republic | 29.1 | 28.5 | 29.1 | 28.9 | 28.9 | 28.2 | 27.8 | 27.9 | 28.2 |
| Greece[3] | 19.0 | 21.8 | 22.5 | 22.7 | 20.8 | 19.8 | 23.4 | 24.6 | 25.8 |
| Irish Republic | 32.8 | 35.3 | 30.7 | 30.0 | 33.8 | 36.1 | 39.1 | .. | .. |
| Italy | 17.6 | 19.2 | 22.4 | 21.4 | 23.8 | 25.4 | 27.3 | 30.4 | 30.0 |
| Japan | 17.6 | 16.6 | 17.2 | 18.5 | 19.5 | 20.5 | 20.5 | 20.5 | 21.3 |
| Luxembourg | 26.4 | 27.2 | 31.7 | 29.2 | 28.5 | .. | .. | .. | .. |
| Netherlands[1] | 29.0 | 29.6 | 31.1 | 30.7 | 31.4 | 30.0 | 29.2 | 27.5 | 27.8 |
| Norway | 39.3 | 40.9 | 41.2 | 41.7 | 44.8 | 42.9 | 42.5 | 42.0 | 41.7 |
| Spain | 13.0 | 12.2 | 12.4 | 13.1 | 14.4 | 15.4 | 15.3 | .. | .. |
| Sweden | 37.6 | 41.6 | 41.1 | 39.8 | 39.3 | 40.7 | 41.3 | 42.6 | 43.9 |
| Switzerland[2] | 20.2 | 23.0 | 22.5 | 21.7 | 21.6 | 21.3 | 21.7 | 21.9 | 22.1 |
| United Kingdom | 30.4 | 31.6 | 30.9 | 32.3 | 34.2 | 36.7 | 37.6 | 36.2 | 36.5 |
| United States | 25.3 | 24.9 | 24.8 | 24.6 | 24.7 | 25.0 | 24.1 | 23.5 | .. |

1 Fiscal years beginning on 1 July of year indicated.
2 Former SNA.
3 Data for 1973-1976 are not comparable with later years.

# Taxes and social security contributions by category as a percentage of gross national product at factor cost in 1973, 1979, 1984

TABLE 3

Percentages

| | Direct taxes | | | | | | Indirect taxes | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Households[1] | | | Corporations | | | Total | | | of which: VAT | | |
| | 1973 | 1979 | 1984 | 1973 | 1979 | 1984 | 1973 | 1979 | 1984 | 1973 | 1979 | 1984 |
| Australia[2] | 11.7 | 14.5 | 16.5 | 4.3 | 3.4 | 3.4 | 12.3 | 14.7 | 16.9 | - | - | - |
| Austria | 11.8 | 12.9 | 13.7 | 1.9 | 2.1 | 2.0 | 21.5 | 19.2 | 19.5 | 8.9 | 9.8 | 10.6 |
| Belgium[4] | 11.4 | 17.7 | 18.3 | 3.4 | 3.1 | 3.4 | 12.8 | 13.3 | 13.0 | 7.4 | 8.3 | 8.4 |
| Canada | 12.4 | 11.8 | 13.2 | 5.0 | 4.6 | 4.4 | 15.6 | 13.8 | 14.7 | - | - | - |
| Denmark | .. | .. | .. | .. | .. | .. | 19.7 | 23.0 | 22.5 | 8.9 | 12.0 | 12.2 |
| Finland | 15.1 | 14.4 | 16.5 | 1.7 | 1.7 | 2.0 | 14.9 | 15.2 | 16.3 | - | - | - |
| France | 3.5 | 4.8 | 5.7 | 2.6 | 2.5 | 2.5 | 17.2 | 17.4 | 18.3 | 9.8 | 10.0 | 10.3 |
| German Federal Republic | 11.9 | 11.5 | 11.2 | 1.9 | 2.3 | 2.2 | 14.8 | 14.7 | 14.5 | 6.1 | 6.8 | 7.1 |
| Greece[4] | 3.1 | 4.1 | 5.5 | 0.9 | 1.2 | 1.3 | 14.7 | 16.8 | 18.6 | - | - | - |
| Irish Republic | .. | .. | .. | .. | .. | .. | 21.1 | 17.3 | 24.3 | 5.9 | 5.9 | 10.7 |
| Italy | 5.1 | 8.7 | .. | 1.4 | 1.8 | .. | 10.9 | 10.8 | 13.2 | 4.3 | 4.9 | 6.8 |
| Japan | 5.2 | 5.6 | 6.9 | 4.5 | 4.5 | 5.4 | 7.4 | 7.8 | 8.3 | - | - | - |
| Luxembourg | .. | .. | .. | .. | .. | .. | 11.7 | 12.2 | 12.4[5] | 4.3 | 4.4 | 4.8[5] |
| Netherlands[3] | 12.5 | 13.2 | 10.5 | 3.1 | 2.9 | 2.9 | 12.6 | 13.5 | 13.4 | 7.0 | 7.8 | 7.9 |
| Norway | .. | .. | .. | .. | .. | .. | 21.1 | 20.0 | 19.5 | 10.9 | 10.3 | 9.7 |
| Spain | 1.7 | 4.0 | 4.9[6] | 2.5 | 2.4 | 2.8[6] | 8.6 | 6.6 | 8.8 | - | - | - |
| Sweden | 19.7 | 23.7 | 22.9 | 1.3 | 1.2 | 2.1 | 16.5 | 14.8 | 18.8 | 6.8 | 7.3 | 7.8 |
| Switzerland[4] | 10.0 | 11.7 | 12.1 | 1.5 | 1.3 | 1.4 | 6.9 | 7.1 | 7.0 | - | - | - |
| United Kingdom | 11.6 | 11.9 | 12.1 | 2.9 | 3.0 | 5.2 | 14.8 | 16.8 | 18.5 | 2.7 | 5.1 | 6.6 |
| United States | 10.6 | 11.7 | .. | 3.8 | 3.7 | .. | 9.9 | 8.4 | 9.0 | - | - | - |

| | Taxes on capital | | | Social security contributions | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Total | | | of which: Paid by employers | | |
| | 1973 | 1979 | 1984 | 1973 | 1979 | 1984 | 1973 | 1979 | 1984 |
| Australia[2] | 0.6 | 0.2 | .. | - | - | - | - | - | - |
| Austria | 0.1 | 0.1 | 0.1 | 11.1 | 14.3 | 14.1 | .. | .. | .. |
| Belgium[4] | 0.3 | 0.4 | 0.3 | 12.5 | 13.9 | 15.9 | 8.5 | 9.4 | 9.3 |
| Canada | 0.4 | 0.2 | 0.2 | 3.3 | 4.0 | 5.1 | 2.1 | 2.4 | 3.1 |
| Denmark | 0.2 | 0.2 | 0.2 | 1.0 | 0.9 | 2.3 | .. | .. | .. |
| Finland | 0.1 | 0.1 | 0.1 | 5.8 | 5.5 | 5.6 | .. | .. | .. |
| France | 0.2 | 0.3 | 0.5 | 15.3 | 20.0 | 22.7 | 11.0 | 13.6 | 14.6 |
| German Federal Republic | 0.1 | 0.1 | 0.1 | 15.1 | 17.1 | 18.1 | 7.3 | 8.1 | 8.6 |
| Greece[4] | 0.4 | 0.5 | 0.4 | 6.9 | 9.3 | 12.3 | .. | .. | .. |
| Irish Republic | 0.6 | 0.2 | 0.2 | 5.5 | 7.1 | .. | .. | .. | .. |
| Italy | 0.1 | 0.1 | 0.1 | 12.4 | 13.9 | 15.4 | 9.8 | 10.5 | .. |
| Japan | 0.3 | 0.2 | 0.3 | 4.9 | 7.7 | 8.7 | 2.6 | 3.8 | 4.4 |
| Luxembourg | 0.2 | 0.2 | 0.1 | 9.8 | 11.9 | 10.9[5] | .. | .. | .. |
| Netherlands[3] | 0.2 | 0.3 | 0.2 | 17.7 | 19.7 | 23.1 | 9.4 | 10.2 | 9.9 |
| Norway | 0.1 | - | - | 15.9 | 14.6 | 13.2 | .. | .. | .. |
| Spain | 0.2 | 0.1 | 0.3 | 8.8 | 12.7 | 12.9[6] | .. | .. | .. |
| Sweden | 0.1 | 0.1 | 0.2 | 9.4 | 14.9 | 15.3 | 6.1 | 14.3 | 14.6 |
| Switzerland[4] | 0.7 | 0.5 | 0.6 | 7.3 | 9.5 | 9.9 | 2.7 | 3.4 | 3.3 |
| United Kingdom | 0.6 | 0.2 | 0.2 | 5.9 | 6.6 | 8.0 | 3.1 | 4.0 | 4.1 |
| United States | 0.5 | 0.3 | 0.2 | 6.2 | 6.8 | .. | 3.2 | 3.7 | .. |

.. Not available.
1 Households includes unincorporated businesses, except for the German Federal Republic and the Netherlands where they are included with corporations.
2 Fiscal years beginning on 1 July of year indicated.
3 Data for 1973 are not comparable with later years.
4 Former SNA.
5 In 1982.
6 In 1981.

## Taxes and social security contributions by category as a percentage of total taxes and social security contributions

TABLE 4

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| **AUSTRALIA**[1] | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 40.5 | 45.1 | 43.9 | 44.2 | 43.8 | 45.6 | 44.9 | 44.2 | 44.9 |
| Paid by corporations | 15.0 | 11.9 | 10.8 | 10.5 | 12.1 | 11.3 | 10.0 | 8.9 | 9.3 |
| Total | 55.6 | 57.0 | 54.8 | 54.7 | 55.9 | 56.9 | 55.0 | 53.1 | 54.1 |
| Indirect taxes | 42.5 | 41.6 | 44.2 | 44.7 | 43.6 | 42.8 | 44.9 | 46.8 | 45.9 |
| Taxes on capital | 2.0 | 1.4 | 1.0 | 0.6 | 0.4 | 0.3 | 0.1 | 0.1 | - |
| Social security contributions | - | - | - | - | - | - | - | - | - |
| **AUSTRIA** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 25.3 | 25.3 | 27.2 | 26.6 | 26.6 | 27.5 | 27.6 | 27.4 | 27.8 |
| Paid by corporations | 4.1 | 4.4 | 4.1 | 4.3 | 4.2 | 4.4 | 3.9 | 3.9 | 4.0 |
| Total | 29.5 | 29.8 | 31.3 | 30.9 | 30.8 | 31.8 | 31.5 | 31.3 | 31.8 |
| Indirect taxes | 46.4 | 43.0 | 39.4 | 39.6 | 39.1 | 38.5 | 38.9 | 39.4 | 39.6 |
| of which VAT | 19.1 | 21.7 | 19.5 | 20.1 | 19.8 | 20.0 | 19.8 | 20.5 | 21.6 |
| Taxes on capital | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Social security contributions | 24.0 | 27.1 | 29.1 | 29.4 | 29.9 | 29.5 | 29.4 | 29.1 | 28.5 |
| **BELGIUM**[1] | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 28.1 | 32.4 | 36.1 | 36.5 | 36.3 | 36.2 | 37.2 | 36.0 | 35.9 |
| Paid by corporations | 8.4 | 6.9 | 6.3 | 6.5 | 6.0 | 5.6 | 6.4 | 6.1 | 6.6 |
| Total | 36.4 | 39.3 | 42.4 | 43.0 | 42.3 | 41.8 | 43.6 | 42.1 | 42.6 |
| Indirect taxes | 31.7 | 29.0 | 27.9 | 27.4 | 27.6 | 27.8 | 27.0 | 27.2 | 25.6 |
| of which VAT | 18.3 | 17.8 | 17.5 | 17.1 | 17.3 | 18.0 | 17.0 | 17.1 | 16.4 |
| Taxes on capital | 0.8 | 0.7 | 0.8 | 0.9 | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 |
| Social security contributions | 31.0 | 31.0 | 28.9 | 28.7 | 29.3 | 29.6 | 28.7 | 30.0 | 31.2 |
| of which paid by employers | 21.1 | 20.8 | 19.4 | 19.3 | 19.7 | 19.2 | 17.3 | 17.9 | 18.3 |
| **CANADA** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 34.2 | 34.7 | 34.9 | 34.8 | 35.4 | 35.1 | 36.8 | 36.6 | 35.5 |
| Paid by corporations | 13.7 | 12.4 | 12.3 | 13.4 | 14.3 | 12.1 | 10.7 | 11.0 | 11.7 |
| Total | 47.8 | 47.1 | 47.2 | 48.2 | 49.7 | 47.2 | 47.5 | 47.6 | 47.2 |
| Indirect taxes | 42.2 | 40.5 | 40.3 | 39.9 | 38.9 | 40.8 | 40.0 | 38.7 | 38.8 |
| Taxes on capital | 1.0 | 0.7 | 0.6 | 0.5 | 0.4 | 0.3 | 0.5 | 0.6 | 0.6 |
| Social security contributions | 9.0 | 11.7 | 12.0 | 11.4 | 11.1 | 11.6 | 12.0 | 13.1 | 13.3 |
| of which paid by employers | 5.7 | 7.2 | 7.2 | 6.9 | 6.8 | 7.1 | 7.1 | 8.0 | 8.1 |
| **DENMARK** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Paid by corporations | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total | 57.9 | 59.2 | 56.2 | 55.5 | 56.7 | 56.8 | 57.0 | 57.3 | 57.5 |
| Indirect taxes | 39.7 | 39.0 | 42.0 | 42.5 | 41.0 | 40.6 | 39.6 | 38.4 | 38.1 |
| of which VAT | 18.1 | 17.7 | 21.0 | 22.1 | 22.2 | 22.8 | 22.3 | 21.1 | 20.6 |
| Taxes on capital | 0.4 | 0.4 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Social security contributions | 2.0 | 1.4 | 1.4 | 1.6 | 1.9 | 2.2 | 2.9 | 3.9 | 4.0 |
| **FINLAND** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 40.1 | 44.7 | 39.7 | 39.0 | 40.7 | 42.0 | 41.5 | 41.7 | 40.7 |
| Paid by corporations | 4.6 | 5.4 | 4.5 | 4.6 | 3.8 | 4.6 | 4.7 | 4.9 | 4.9 |
| Total | 44.7 | 50.1 | 44.2 | 43.6 | 44.5 | 46.6 | 46.2 | 46.6 | 45.6 |
| Indirect taxes | 39.5 | 33.1 | 39.7 | 41.2 | 40.9 | 39.8 | 40.2 | 40.1 | 40.2 |
| Taxes on capital | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 |
| Social security contributions | 15.5 | 16.6 | 15.8 | 15.0 | 14.4 | 13.4 | 13.3 | 13.1 | 13.9 |

## Taxes and social security contributions by category as a percentage of total taxes and social security contributions

TABLE 4(continued)

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| **FRANCE** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 13.1 | 14.6 | 14.7 | 14.1 | 14.6 | 14.9 | 14.8 | 15.6 | 15.8 |
| Paid by corporations | 6.5 | 6.3 | 5.2 | 5.3 | 5.5 | 5.7 | 5.8 | 5.0 | 4.8 |
| Total | 19.6 | 20.9 | 19.9 | 19.3 | 20.2 | 20.6 | 20.7 | 20.5 | 20.6 |
| Indirect taxes | 42.2 | 38.3 | 37.4 | 37.3 | 36.1 | 35.8 | 35.5 | 34.9 | 35.0 |
| of which VAT | 24.0 | 23.4 | 21.3 | 21.3 | 20.8 | 20.8 | 20.9 | 20.3 | 19.7 |
| Taxes on capital | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.7 | 0.6 | 0.6 | 0.9 |
| Social security contributions | 37.6 | 40.3 | 42.1 | 42.8 | 43.2 | 42.8 | 43.3 | 44.0 | 43.5 |
| of which paid by employers | 27.0 | 28.7 | 29.7 | 29.1 | 28.7 | 28.8 | 28.7 | 29.0 | 28.0 |
| **GERMAN FEDERAL REPUBLIC** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[4] | 27.8 | 27.1 | 26.7 | 25.7 | 26.3 | 25.5 | 25.2 | 24.8 | 24.7 |
| Paid by corporations | 4.4 | 4.1 | 4.8 | 4.9 | 4.3 | 4.0 | 4.1 | 4.4 | 4.7 |
| Total | 32.1 | 31.2 | 31.4 | 30.6 | 30.7 | 29.6 | 29.3 | 29.2 | 29.4 |
| Indirect taxes | 33.6 | 30.8 | 31.5 | 32.0 | 31.6 | 31.2 | 30.6 | 31.2 | 31.2 |
| of which VAT | 13.7 | 12.7 | 13.8 | 14.7 | 15.3 | 15.4 | 14.8 | 15.4 | 15.3 |
| Taxes on capital | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Social security contributions | 34.2 | 37.8 | 36.9 | 37.2 | 37.6 | 39.1 | 40.0 | 39.4 | 39.2 |
| of which paid by employers | 16.5 | 17.6 | 17.5 | 17.6 | 17.9 | 18.4 | 18.8 | 18.6 | 18.5 |
| **GREECE**[1] | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 11.8 | 10.1 | 11.6 | 12.8 | 15.2 | 13.3 | 14.6 | 13.7 | 14.4 |
| Paid by corporations | 3.4 | 8.5 | 4.1 | 3.8 | 4.3 | 3.7 | 4.0 | 3.0 | 3.4 |
| Total | 15.2 | 18.7 | 15.6 | 16.6 | 19.6 | 16.9 | 18.6 | 16.7 | 17.8 |
| Indirect taxes | 56.7 | 52.8 | 53.3 | 52.6 | 47.3 | 48.8 | 47.4 | 48.7 | 48.8 |
| Taxes on capital | 1.3 | 1.2 | 1.7 | 1.6 | 1.3 | 1.4 | 1.7 | 1.3 | 1.1 |
| Social security contributions | 26.7 | 27.3 | 29.4 | 29.2 | 31.8 | 32.9 | 32.3 | 33.2 | 32.3 |
| **IRISH REPUBLIC** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Paid by corporations | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total | 28.8 | 30.1 | 32.0 | 33.8 | 34.5 | 34.6 | 34.0 | 34.1 | .. |
| Indirect taxes | 55.2 | 51.7 | 49.2 | 46.7 | 45.9 | 46.4 | 46.3 | 46.4 | .. |
| of which VAT | 15.3 | 14.7 | 18.3 | 16.0 | 13.8 | 14.5 | 18.2 | 19.8 | .. |
| Taxes on capital | 1.6 | 0.5 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | .. |
| Social security contributions | 14.4 | 17.7 | 18.3 | 19.2 | 19.2 | 18.8 | 19.4 | 19.2 | .. |
| **ITALY** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 17.1 | 20.1 | 24.8 | 24.7 | 27.4 | 30.1 | 30.7 | 31.0 | .. |
| Paid by corporations | 4.7 | 5.1 | 5.4 | 5.1 | 4.5 | 4.9 | 5.3 | 5.9 | .. |
| Total | 21.8 | 25.2 | 30.2 | 29.8 | 31.9 | 35.1 | 36.0 | 36.8 | 36.8 |
| Indirect taxes | 36.5 | 32.8 | 31.9 | 30.7 | 30.9 | 28.8 | 27.9 | 28.5 | 29.0 |
| of which VAT | 14.4 | 14.7 | 13.9 | 14.0 | 15.5 | 14.9 | 14.3 | 14.3 | 15.1 |
| Taxes on capital | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Social security contributions | 41.3 | 41.8 | 37.7 | 39.4 | 37.0 | 35.9 | 35.9 | 34.5 | 33.9 |
| of which paid by employers | 32.6 | 34.7 | 30.9 | 29.9 | 27.6 | 26.8 | 25.8 | 24.7 | .. |
| **JAPAN** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 24.3 | 23.0 | 21.0 | 22.9 | 24.2 | 24.5 | 24.6 | 25.3 | 24.4 |
| Paid by corporations | 20.0 | 17.8 | 18.9 | 17.2 | 17.8 | 17.5 | 17.2 | 17.1 | 17.9 |
| Total | 44.3 | 40.7 | 39.8 | 40.1 | 42.1 | 42.0 | 41.9 | 42.4 | 42.3 |
| Indirect taxes | 32.8 | 29.5 | 29.7 | 29.7 | 28.8 | 28.2 | 27.7 | 26.8 | 27.5 |
| Taxes on capital | 1.3 | 0.9 | 0.9 | 0.8 | 0.7 | 0.8 | 0.9 | 1.0 | 1.0 |
| Social security contributions | 21.7 | 29.0 | 29.6 | 29.4 | 28.5 | 29.0 | 29.5 | 29.8 | 29.1 |
| of which paid by employers | 11.5 | 14.7 | 15.6 | 14.6 | 14.5 | 14.8 | 15.1 | 15.1 | 14.8 |

## Taxes and social security contributions by category as a percentage of total taxes and social security contributions

**TABLE 4(continued)**

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| **LUXEMBOURG** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Paid by corporations | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total | 40.0 | 39.8 | 43.9 | 40.9 | 39.3 | .. | .. | .. | .. |
| Indirect taxes | 32.3 | 28.5 | 27.8 | 29.8 | 30.8 | .. | .. | .. | .. |
| of which VAT | 12.0 | 11.4 | 10.5 | 10.6 | 11.0 | .. | .. | .. | .. |
| Taxes on capital | 0.6 | 0.3 | 0.3 | 0.4 | 0.3 | .. | .. | .. | .. |
| Social security contributions | 27.1 | 31.4 | 28.0 | 29.0 | 29.5 | .. | .. | .. | .. |
| **NETHERLANDS** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[4] | 27.9 | 27.9 | 27.7 | 27.9 | 27.7 | 26.0 | 25.2 | 23.0 | 22.3 |
| Paid by corporations | 6.7 | 6.9 | 6.2 | 5.7 | 6.5 | 6.9 | 6.7 | 6.1 | 5.6 |
| Total | 34.6 | 34.8 | 33.8 | 33.7 | 34.2 | 32.9 | 31.9 | 29.1 | 27.9 |
| Indirect taxes | 27.0 | 26.0 | 27.5 | 26.8 | 26.3 | 25.8 | 25.1 | 24.0 | 26.3 |
| of which VAT | 14.9 | 14.7 | 15.8 | 15.5 | 15.6 | 15.4 | 14.7 | 14.8 | 15.5 |
| Taxes on capital | 0.5 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 |
| Social security contributions | 37.9 | 38.8 | 38.2 | 39.1 | 39.1 | 40.8 | 42.6 | 46.6 | 45.3 |
| of which paid by employers | 20.1 | 20.3 | 19.7 | 20.3 | 20.0 | 20.0 | 19.5 | 19.7 | 19.5 |
| **NORWAY** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Paid by corporations | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Total | 32.7 | 35.7 | 36.6 | 38.3 | 42.4 | 41.0 | 40.1 | 40.0 | 40.4 |
| Indirect taxes | 38.3 | 37.6 | 36.6 | 35.6 | 33.9 | 34.8 | 35.1 | 35.3 | 35.5 |
| of which VAT | 19.8 | 19.3 | 19.6 | 18.3 | 16.8 | 17.5 | 17.7 | 18.1 | 17.6 |
| Taxes on capital | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Social security contributions | 28.8 | 26.5 | 26.8 | 25.9 | 23.7 | 24.2 | 24.7 | 24.6 | 24.0 |
| **SPAIN** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 7.9 | 10.3 | 14.3 | 15.5 | 18.6 | 17.2 | .. | .. | .. |
| Paid by corporations | 11.5 | 11.4 | 9.3 | 9.2 | 9.0 | 9.8 | .. | .. | .. |
| Total | 19.4 | 21.8 | 23.6 | 24.7 | 27.6 | 27.0 | .. | .. | .. |
| Indirect taxes | 39.6 | 30.8 | 26.4 | 25.6 | 25.3 | 26.7 | .. | .. | .. |
| Taxes on capital | 0.8 | 0.6 | 0.5 | 0.4 | 0.4 | 0.7 | .. | .. | .. |
| Social security contributions | 40.2 | 46.8 | 49.5 | 49.2 | 46.8 | 45.6 | .. | .. | .. |
| **SWEDEN** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 41.9 | 43.9 | 43.1 | 43.3 | 41.3 | 39.6 | 40.5 | 39.5 | 38.6 |
| Paid by corporations | 2.8 | 2.8 | 2.1 | 2.2 | 2.4 | 2.1 | 2.7 | 3.5 | 3.5 |
| Total | 44.7 | 46.6 | 45.2 | 45.5 | 43.7 | 41.7 | 43.2 | 43.0 | 42.2 |
| Indirect taxes | 35.1 | 29.8 | 27.6 | 27.0 | 27.4 | 28.7 | 29.1 | 30.0 | 31.8 |
| of which VAT | 14.5 | 12.3 | 13.3 | 13.3 | 13.3 | 13.5 | 13.1 | 13.4 | 13.3 |
| Taxes on capital | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| Social security contributions | 19.9 | 23.3 | 27.0 | 27.3 | 28.7 | 29.4 | 27.5 | 26.7 | 25.8 |
| of which paid by employers | 13.1 | 22.1 | 25.8 | 26.0 | 27.5 | 28.3 | 26.3 | 23.2 | 24.7 |
| **SWITZERLAND[3]** | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 40.3 | 42.5 | 41.0 | 40.9 | 40.9 | 41.2 | 41.4 | 40.9 | 40.9 |
| Paid by corporations | 5.4 | 6.7 | 5.0 | 4.1 | 4.2 | 4.5 | 4.7 | 4.7 | 4.5 |
| Total | 45.7 | 49.2 | 46.0 | 45.0 | 45.1 | 45.6 | 46.1 | 45.6 | 45.5 |
| Indirect taxes | 25.1 | 21.2 | 22.7 | 22.8 | 23.0 | 22.7 | 22.1 | 22.2 | 21.8 |
| Taxes on capital | 2.6 | 1.7 | 1.7 | 1.8 | 1.9 | 1.8 | 1.9 | 1.8 | 1.9 |
| Social security contributions | 26.6 | 27.9 | 29.7 | 30.4 | 30.0 | 29.9 | 30.0 | 30.4 | 30.8 |
| of which paid by employees | 9.9 | 9.7 | 10.7 | 11.0 | 10.8 | 10.8 | 10.5 | 10.4 | 10.4 |

## Taxes and social security contributions by category as a percentage of total taxes and social security contributions

TABLE 4(continued)

Percentages

| | 1973 | 1976 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|
| UNITED KINGDOM | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 33.1 | 39.2 | 34.6 | 31.4 | 30.9 | 29.9 | 29.6 | 28.7 | 28.2 |
| Paid by corporations | 8.1 | 5.4 | 7.4 | 7.7 | 8.3 | 9.2 | 10.1 | 10.8 | 11.7 |
| Total | 41.2 | 44.6 | 42.0 | 39.1 | 39.2 | 39.1 | 39.7 | 39.5 | 39.9 |
| Indirect taxes | 40.7 | 35.6 | 39.4 | 43.2 | 43.4 | 43.5 | 42.8 | 41.9 | 41.5 |
| of which VAT | 7.3 | 8.8 | 9.3 | 13.1 | 14.4 | 13.6 | 13.3 | 13.8 | 14.7 |
| Taxes on capital | 1.8 | 0.9 | 0.7 | 0.6 | 0.5 | 0.8 | 0.6 | 0.5 | 0.5 |
| Social security contributions | 16.4 | 18.9 | 18.0 | 17.1 | 16.9 | 16.6 | 17.0 | 18.1 | 18.1 |
| of which paid by employers | 8.5 | 11.4 | 10.8 | 10.2 | 10.0 | 9.2 | 8.8 | 9.2 | 9.1 |
| UNITED STATES | | | | | | | | | |
| Direct taxes: | | | | | | | | | |
| Paid by households[2] | 35.0 | 35.4 | 37.2 | 38.7 | 39.4 | 39.9 | 40.8 | 38.4 | .. |
| Paid by corporations | 12.2 | 12.3 | 12.6 | 11.8 | 10.3 | 8.5 | 6.0 | 7.2 | .. |
| Total | 47.2 | 47.7 | 49.7 | 50.4 | 49.7 | 48.3 | 46.8 | 45.6 | .. |
| Indirect taxes | 31.5 | 30.6 | 28.3 | 26.8 | 27.6 | 28.5 | 29.0 | 29.7 | .. |
| Taxes on capital | 1.7 | 1.4 | 1.1 | 1.0 | 1.1 | 1.0 | 1.2 | 0.9 | .. |
| Social security contributions | 19.7 | 20.3 | 20.8 | 21.7 | 21.5 | 22.2 | 23.1 | 23.8 | .. |
| of which paid by employers | 10.2 | 10.8 | 11.3 | 11.6 | 11.5 | 11.6 | 12.1 | 12.5 | .. |

1 Fiscal years begining on 1 July of year indicated.
2 Households include unincorporated businesses.
3 Former SNA.
4 Unincorporated businesses are included with corporations not households.

## Direct taxes on households[1] and social security contributions as a percentage of total personal income in 1973, 1979, 1984

TABLE 5

Percentages

| | 1973 | | | 1979 | | | 1984 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Direct taxes | Social security contributions | Total | Direct taxes | Social security contributions | Total | Direct taxes | Social security contributions | Total |
| a. Including employers' contributions | | | | | | | | | |
| Australia[2] | 12.6 | - | 12.6 | 15.0 | - | 15.0 | 16.2 | - | 16.2 |
| Austria | 12.3 | 11.7 | 24.0 | 12.6 | 13.9 | 26.5 | 13.2 | 13.5 | 26.7 |
| Belgium[3] | 10.8 | 11.9 | 22.8 | 15.4 | 12.0 | 27.4 | 15.1 | 13.1 | 28.2 |
| Canada | 13.9 | 3.7 | 17.6 | 13.3 | 4.4 | 17.6 | 14.0 | 5.3 | 19.3 |
| Finland | 16.6 | 6.4 | 23.0 | 15.5 | 5.9 | 21.4 | 17.1 | 5.8 | 22.9 |
| France | 5.1 | 14.5 | 19.5 | 5.8 | 17.6 | 23.4 | 6.9 | 18.9 | 25.8 |
| German Federal Republic[1] | 12.0 | 14.8 | 26.9 | 11.2 | 16.3 | 27.5 | 10.8 | 17.1 | 28.0 |
| Greece | 3.0 | 6.8 | 9.9 | 4.0 | 9.0 | 13.0 | 4.9 | 11.1 | 16.0 |
| Italy | 4.7 | 11.3 | 15.9 | 7.6 | 12.2 | 19.9 | .. | .. | .. |
| Japan | 6.2 | 5.5 | 11.7 | 6.1 | 7.8 | 13.8 | 7.2 | 8.6 | 15.8 |
| Netherlands[1,4] | 12.2 | 16.6 | 28.8 | 12.4 | 17.3 | 29.7 | 9.9 | 20.2 | 30.2 |
| Spain | 1.8 | 9.0 | 10.7 | 3.8 | 12.3 | 16.1 | .. | .. | .. |
| Sweden | 19.8 | 9.4 | 29.3 | 21.9 | 13.8 | 35.7 | 21.1 | 14.1 | 35.2 |
| Switzerland[3] | 12.3 | 8.1 | 20.3 | 13.4 | 10.0 | 23.4 | 13.7 | 10.3 | 24.0 |
| United Kingdom | 12.5 | 6.2 | 18.6 | 12.4 | 6.8 | 19.2 | 12.2 | 7.8 | 20.0 |
| United States | 11.7 | 6.6 | 18.3 | 12.9 | 7.2 | 20.2 | .. | .. | .. |
| b. Excluding employers' contributions | | | | | | | | | |
| Australia[2] | 12.6 | - | 12.6 | 15.0 | - | 15.0 | 16.2 | - | 16.2 |
| Belgium[3] | 11.8 | 4.2 | 15.9 | 16.7 | 4.3 | 21.0 | 16.3 | 5.9 | 22.2 |
| Canada | 14.3 | 1.4 | 15.6 | 13.6 | 1.8 | 15.4 | 14.5 | 2.1 | 16.6 |
| France | 5.6 | 4.6 | 10.2 | 6.6 | 6.4 | 12.9 | 7.8 | 7.7 | 15.5 |
| German Federal Republic[1] | 13.0 | 8.3 | 21.3 | 12.2 | 9.3 | 21.4 | 11.8 | 9.8 | 21.6 |
| Italy | 5.1 | 2.6 | 7.7 | 8.4 | 3.2 | 11.7 | .. | .. | .. |
| Japan | 6.4 | 2.7 | 9.0 | 6.3 | 4.1 | 10.4 | 7.6 | 4.4 | 12.0 |
| Netherlands[1,4] | 13.4 | 8.5 | 21.9 | 13.6 | 9.1 | 22.7 | 10.9 | 12.6 | 23.5 |
| Sweden | 21.1 | 3.5 | 24.6 | 25.3 | 0.7 | 26.0 | 24.4 | 0.7 | 25.1 |
| Switzerland[3] | 12.6 | 5.2 | 17.9 | 13.9 | 6.6 | 20.5 | 14.2 | 7.1 | 21.3 |
| United Kingdom | 12.9 | 3.0 | 15.9 | 13.0 | 2.8 | 15.8 | 12.7 | 4.0 | 16.7 |
| United States | 12.1 | 3.3 | 15.4 | 13.5 | 3.5 | 16.9 | .. | .. | .. |

.. Not available.
1 Households includes unincorporated businesses, except for the German Federal Republic and the Netherlands.
2 Fiscal years beginning on 1 July of year indicated.
3 Former SNA.

# NATIONAL AND SECTOR BALANCE SHEETS 1957-1985

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## INTRODUCTION

Just over nine hundred years ago William The Conqueror sent out officers throughout England to find out who held land and how much, what kind of land it was, what kind of people lived on it, how many oxen, sheep, pigs and mills there were and what it was worth then and what it had been worth twenty years earlier. The information was written in the Domesday Book which was the most comprehensive statement of the wealth of the nation ever to be made. Whereas the Domesday Book was an almost complete census of the nation's wealth we must rely today on the advance of economic and statistical techniques to value the nation's wealth more efficiently and without direct inquiries to each owner of tangible wealth.

The Domesday Book covered the whole of England excluding London, Winchester and some of the northernmost counties. The total annual value of the assets recorded was approximately £73,000[1] in 1086 and almost all this wealth was held as farmlands, woodlands, livestock etc. Nine hundred years later at the close of 1985 the UK national wealth had a capital value £1600 bn reflecting changing population, prices and wealth. Residential buildings were worth about £600 billion, other buildings and civil engineering works around £450 billion, and plant and equipment about £250 billion. Farmland and forests were worth around £40 billion representing only 3 per cent of the nation's wealth. Net financial claims on overseas residents were worth about £80 billion.

Big changes have occurred over the last 25 to 30 years since the first estimates of UK wealth were made in modern times. Between 1957 and 1985 the value of the national wealth grew more than twenty four fold compared with an almost fifteen fold increase in the national income (net national product). The changing value of money is largely responsible for the size of these increases. Nevertheless the increases in the nation's wealth and income are still substantial in 'real' terms. In terms of constant prices national income grew 82 per cent (end year to end year) and national wealth about 86 per cent. Increases in asset values however meant that national wealth at current prices grew from about 3.7 times national income to 6.0 times. Another big change over the last twenty eight years was the sectoral shares of the national wealth. Back in 1957 the public sector's net worth was negative: its net financial liabilities exceeded its tangible assets. By 1980 the public sector commanded 18 per cent of the nation's wealth though five years later this had fallen to 14 per cent.

On a shorter perspective the ten years to the end of 1985 saw the national income grow three fold and the national wealth three and one half fold, both in terms of current prices. The total value of residential buildings increased more than four fold and commercial buildings more than five fold. On the other hand the value of industrial and other buildings increased only two and one half fold. However the most dramatic change was the forty fold growth in the nation's net claims on overseas from £2 bn to around £80 bn to represent about 5 per cent of the national wealth. During these same ten years the 'real' increase in national income was 15 per cent and in national wealth 19 per cent.

## WHY PRODUCE BALANCE SHEETS?

National income and expenditure accounts, including the associated accounts showing financial flows, have long been accepted as an essential tool for economic, monetary and fiscal management of economies. Economists use these accounts daily and government and businesses depend on economic assessments which are founded on interpretation of them. Economists' use of these accounts mirrors businesses' use of company profit and loss accounts and sources and uses of funds statements to assess where companies are going. However the businessman wishing to consider a company's fortunes may also study its balance sheet closely because this will show where the business has got to, its resources and its financial state of health. National and sector balance sheets should enable economists to do the same in connection with the national economy and its main economic sectors.

Balance sheets tell economists and others about the size of the national wealth, about the structure of that wealth and its distribution between the sectors of the economy. They can also assist economists to understand better how the economy works and, in particular, to see how the size and structure of a sector's wealth affects its economic behaviour. This may help with economic forecasting and analysis and enable better decision making by Government and other users of the national accounts. Finally balance sheets may offer statisticians the opportunity to improve the income and expenditure accounts through the discipline imposed when sector balance sheets are reconciled with the income and expenditure accounts.

## EARLIER WORK

Revell's work at the Department of Applied Economics at Cambridge twenty years ago[2] was the pioneering study of UK national and sector balance sheets and all work since then has its roots in his work. His book 'The Wealth of the Nation' gave an invaluable account of his methods. Revell's work was later extended by Revell and Roe[3] with official sponsorship to give annual estimates of national and sector balance sheets for 1957 to 1966. Ten years later Pettigrew[4] made the first official estimates of national and sector balance sheets giving annual figures for 1966 to 1975 for each of the main sectors of the economy.

Since then official resources have concentrated on development of statistics of sectoral financial assets and liabilities since it was considered that these have the most direct bearing on sectoral economic behaviour. Figures of sectoral financial assets and liabilities have been published annually in Financial Statistics. Estimates of the value of tangible assets were not updated beyond 1975 with the exception of the personal sector's assets which have been included in estimates of the personal sector balance sheet published annually in the February editions of Financial Statistics.

These developments in balance sheets for the United Kingdom have been accompanied by increasing international interest in the subject which bore fruit ten years ago in international guidelines[5] for national and sector balance sheets. These guidelines have been followed as far as possible in the construction of the balance sheets estimates contained in this article.

## SCOPE OF BALANCE SHEETS

A national balance sheet is a statement of the stock of tangible, intangible and financial assets of a nation and its financial liabilities. The net total of these assets and liabilities is described as the national wealth. Sector balance sheets are a more detailed analysis of the national balance sheet in which the tangible and intangible assets are apportioned to each of the domestic sectors and each sector's financial assets and liabilities are recorded. The net balance for each sector, calculated as the sum of its tangible and other assets less its financial liabilities represents the 'net worth' or 'wealth' of the sector. The financial assets and liabilities of the domestic sectors offset each other except to the extent that the nation has net claims on (or net liabilities to) overseas residents.

The balance sheets presented here include the value of land and all the buildings on it ranging from residential buildings to commercial buildings such as shops, offices, garages to factories and community buildings like schools, museums and hospitals. Agricultural land and buildings are included and so are all civil engineering works ranging from docks and harbours to power stations, churches and sewers. The nation's plant and machinery and its aircraft, ships and railway rolling stock are included together with road vehicles owned by businesses. The value of business stocks and work in progress are also included. Military durables and stocks are however excluded in line with their treatment as current expenditure in the expenditure accounts. Consumer durables are also excluded for the same reason. Financial assets and liabilities included in the balance sheets range from cash, bank and building society deposits to UK and overseas stocks and shares and bonds and a variety of other types of financial paper.

Aside from land the balance sheets in the main cover man made assets. Other natural resources are not included for various reasons. A full statement of the nation's wealth would record its subsoil deposits, in particular for the United Kingdom the coal, oil and natural gas reserves. However the valuation of these reserves is problematical and has not been attempted here, though the size of these reserves is shown in a supplementary table to the balance sheets. Ancient monuments and works of art are also excluded because the valuation task is too difficult.

There are also certain intangible non financial assets which may be included in statements of national and sector wealth and indeed international convention accepts that certain property rights such as leases and patents, copyrights and trademarks should be so included. In the balance sheets presented here however, marketable property rights such as commercial leases are included indistinguishably in the valuation of tangible assets. On the other hand non marketable tenancy rights, in particular housing and agricultural tenancy rights, are included as intangible non financial assets. Patents, copyrights and trademarks are not included because their valuation is impracticable and transactions in them are not included in the flow accounts. Human capital is also excluded though clearly education and training adds significantly to the nation's economic capacity.

## SOURCES AND METHODS

A description of the sources and methods used to make the estimates of national wealth appear as an Appendix to this article. A brief outline of the main sources and methods used in the valuations may be helpful here however for readers who do not wish to read the detailed appendix.

Valuations have been made wherever possible at market values which is usually accepted as the value arrived at in arms length transactions between willing buyers and willing sellers. Market valuations have been made for all residential, agricultural, commercial and industrial buildings using information from the real estate markets. Market valuations have also been made for vehicles, ships and aircraft. Market valuations were not however feasible in the case of buildings such as schools and hospitals or civil engineering works like gas mains, coal mines and roads. These buildings and works are not traded and valuations were based on depreciated current replacement costs. This was also the basis of estimates of the value of plant and machinery since sale prices for second hand industrial plant and equipment are heavily influenced by the circumstances of their sale, often a liquidation.

Another valuation issue was the treatment of tenanted land and buildings where both landlords and tenants have an interest. In the case of most commercial leases both landlords' and tenants' interests are marketable and their values are included in the balance sheets of the landlords and tenants respectively. However housing and agricultural tenancies which are generally not marketable are treated differently. In these cases the open market value of the tenanted properties with tenants in situ is attributed to the landlord's sector and an imputed value of the tenant's rights of occupancy is attributed to the tenant's sector. This imputed value which appears in the balance sheets as an intangible non financial asset is calculated as the difference between the vacant possession value of the property in which the tenant has an interest and the value of the landlord's interest. This treatment increases the net worth of the personal sector at the expense of the local authority sector compared with Pettigrew's [4] estimates which attributed the full vacant possession value of tenanted residential properties to landlords.

The main sources of the estimates are as follows:

*Residential buildings:* The rating statistics and extensive data about the relationship between rateable and capital values derived in the main from the Building Societies Association and Department of Environment's 5% sample survey of building society mortgages.

*Agricultural land and buildings and forestry:* Ministry of Agriculture Fisheries and Food estimates based on areas of agricultural land and Inland Revenue data on sale prices. Forestry Commission estimates of the value of forests.

*Commercial, industrial and other buildings:* The rating statistics and extensive data on the relationship between rateable values and capital values obtained in the main from valuations of 2600 commercial and industrial buildings by Valuation Office valuers.

*Civil engineering works:* Public utilities' valuations for their current cost accounts and in some cases CSO net capital stock estimates based on the perpetual inventory method which estimates capital stock by reference to historic series of fixed investment and assumptions about asset lives.

*Plant and machinery:* CSO net capital stock estimates based on the perpetual inventory method.

*Ships, aircraft and railway rolling stock:* Rough market valuations for ships and aircraft and CSO net capital stock estimates for railway rolling stock.

*Road vehicles:* Market valuations based on Department of Transport licensing statistics showing stock of vehicles and information on second hand values for cars and lorries.

*Stocks and Work in Progress:* CSO estimates of book values used in national income and expenditure accounts.

*Sectorization of tangible asset values:* Apportionment of national valuations was achieved in a variety of ways. In some cases like residential buildings this was straightforward because the stock of the different sectors was easily identifiable; in other cases the CSO net capital stock estimates were used; whilst for commercial, industrial and other buildings direct estimates had to be made of six of the seven sectors' buildings and the seventh sector's holdings calculated as a residual.

*Intangible non financial assets:* Valuations of agricultural land and residential buildings and Valuation Office information on sale values for tenanted properties. Only tenancy rights are included here. The value of patents, copyrights etc is not included.

*Financial assets and liabilities:* Statistical returns completed by financial institutions, non financial companies, public corporations and local authorities supplemented by central government and other administrative records.

## QUALITY OF STATISTICS

It is difficult to make a definitive assessment of the reliability of the wealth estimates contained in this article, but nevertheless it should be noted that there is a very wide variation in the quality of the estimates. In the case of owner occupied housing, for example, there is a lot of information on the size of the stock and value of dwellings. In other cases like local authority buildings other than dwellings information on the size or value of their estates is very scanty indeed. The table below therefore aims to provide readers with a rough idea of the relative quality of the estimates of sectoral holdings of tangible assets for recent years. Following standard national accounts practice the absolute levels of estimates are graded 'B' where their reliability is believed to be in the range of ±3 per cent to 10 per cent; grade 'C' represents a reliability in the range ±10 to 20 per cent; and grade 'D' more than ±20 per cent. As regards annual changes their quality has been graded 'A' where their reliability is believed to be in the range ±1 per cent; grade 'B' represents reliability in the range ±1 to 2 per cent; and grade 'C' ±2 to 3 per cent.

**Reliability of annual estimates of sectoral holdings of tangible assets**

| | Absolute Level | Annual Changes |
|---|---|---|
| Persons | B | A |
| Industrial and commercial companies | D | C |
| Monetary sector | C | C |
| Other financial institutions | B | B |
| Public corporations | C | C |
| Local authorities | D | B |
| Central government | C | C |
| Whole economy | B | B |

An aspect of quality that needs to be borne in mind when interpreting the figures is the use of different measurement techniques for different assets, in particular the use of market values for some assets and depreciated replacement costs for others. Market values are likely to reflect changes in the economy more sensitively than replacement cost estimates. Also, depreciated replacement cost estimates based on current cost accounts are likely to track scrapping more accurately than CSO estimates based on the perpetual inventory method. It is also quite possible that second hand industrial plant, if it were traded in the normal course of events, would sell at lower values than CSO estimates of depreciated replacement cost. Cost market values for second hand road vehicles are well below depreciated replacement cost estimates obtained using the perpetual inventory method.

Almost all the figures presented in this article relate to current values which are often dominated by the impact of changing money values. Exceptionally, however, estimates of 'real' wealth are presented in some cases. However, real wealth is not a straightforward concept and depending on the conceptual approach taken estimates of 'real' wealth may diverge sharply. The alternative approaches are discussed later, suffice to say at this stage that such estimates require careful interpretation.

## THE TABLES

National and sector balance sheets are presented in a series of tables at the end of this article. Table A1 gives estimates of the net worth of each sector and the nation from 1957 to 1985 at three yearly intervals. The estimates of 1957 to 1963 are based on Revell's estimates and for 1966 to 1972 are based on Pettigrew's estimates except that their estimates have been linked into a continuous series so that comparison over the twenty eight year period may be more easily made.

Table A2 gives a detailed analysis of the UK's national wealth between 1975 and 1985 analysed by type of asset. Tables A3 to A11 give sector balance sheets analysed by type of asset over the same period. In the case of financial assets and liabilities only totals are given since detailed analyses of financial assets may be found in Financial Statistics (June issues). Table A12 gives figures of the volume of the UK's subsoil reserves without any valuation. Tables A13 to A20 give brief reconciliation accounts for the estimates of tangible asset values by allocating changes in values over each year to their various causes: new capital formation, depreciation, sector reclassifications and price and other changes.

## TRENDS 1957-1985

### The National Wealth and National Income

The twenty four fold increase in the national wealth from £67 bn at the end of 1957 to £1630 bn at the end of 1985 was dominated by increases in asset prices. During the second half of the period inflation of asset values contributed more than five sixths of the recorded increase in the national wealth. Nevertheless there were increases in the real national wealth due to net capital formation and, during the last ten years, the net acquisition of financial claims on the rest of the world. Table 1 gives a summary of developments in the national wealth over the last twenty eight years. Inflation of asset values may reflect both the general rate of inflation observed in the economy and changes in asset values relative to the general inflation rate. Over the long term asset values have tended to rise faster than general inflation though for short periods the opposite has sometimes been the case.

**Table 1 Changes in National Wealth 1957-1985**

£ bn

| End years | 1957-63 | 1963-69 | 1969-75 | 1975-80 | 1980-85 |
|---|---|---|---|---|---|
| National wealth, start of period | 67.0 | 103.6 | 176.4 | 460.5 | 1073.9 |
| Net capital formation | 14.6 | 27.3 | 43.4 | 64.0 | 65.3 |
| Net investment abroad | 0.6 | — 0.4 | — 4.0 | 2.1 | 17.5 |
| Inflation of asset values | 21.4 | 45.9 | 244.7 | 547.3 | 473.6 |
| National wealth, end of period | 103.6 | 176.4 | 460.5 | 1073.9 | 1630.3 |

Annual rates of increase in national income and wealth during successive economic cycles are shown in Table 2 from which it will be seen that income and wealth sometimes grew in step whilst in other periods national wealth grew faster than national income.

**Table 2 Average Annual Growth Rates of National Income and Wealth**

Percentages

| End years | National Income (1) | National Wealth |
|---|---|---|
| 1957-60 | 5.7 | 6.6 |
| 1960-64 | 6.3 | 8.8 |
| 1964-69 | 7.5 | 9.2 |
| 1969-73 | 13.1 | 20.3 |
| 1973-79 | 17.4 | 17.0 |
| 1979-85 | 9.2 | 9.5 |

(1) Net national product (end year to end year estimates)

Sharply rising asset values, especially house values, are the main explanation of the much faster growth of national wealth than national income during 1969 to 1973. It should be noted incidentally that 1979 to 1985 does not represent a complete cycle. Figures of national income and national wealth are also shown in Chart 1.

It has already been observed that comparisons of national wealth are dominated by changing money values and the reader may ask what have been the increases in 'real' wealth. This question poses another: what is 'real' wealth and how do you measure it, to which the standard answer would be to compile figures of national wealth at constant prices by deflation of annual asset valuations by appropriate indices of asset values. This would ensure that one acre of housing land, for example, was given the same value in 1957 and 1985. Table 3 compares broad estimates of growth rates of national wealth at constant prices constructed in this way with estimates of growth rates of national income at constant prices.

**Table 3 Average Annual Growth Rates of "Real" National Income and Wealth**

Percentages

| End years | National Income (1) | National Wealth |
|---|---|---|
| 1957-60 | 3.3 | 2.7 |
| 1960-64 | 3.2 | 2.5 |
| 1964-69 | 2.3 | 2.9 |
| 1969-73 | 2.9 | 2.4 |
| 1973-79 | 0.9 | 1.8 |
| 1979-85 | 1.3 | 1.6 |

(1) Net national product (end year to end year estimates)

Net claims overseas have been deflated using an index of domestic asset values. In essence these figures measure national wealth in similar terms to the figures of capital stock published each year in the CSO Blue Book, except that the capital stock estimates exclude land values and are always valued at estimated replacement costs, whereas the balance sheets use market values wherever possible. It is notable that 'real' growth rates of both national income and national wealth have been lower during 1973 to 1985 than during 1957 to 1973.

**Chart 1 National Income and Wealth**

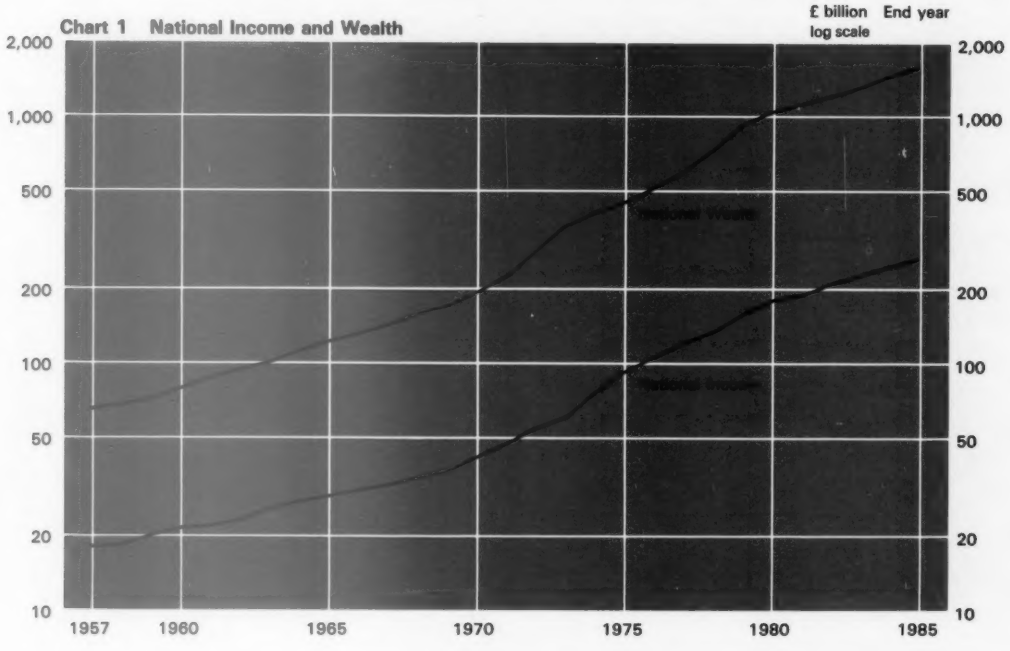


**Table 4 Composition of National Wealth**

Percentages

| End years | 1957 | 1963 | 1969 | 1975 | 1980 | 1985 |
|---|---|---|---|---|---|---|
| Residential buildings | 26.1 | 26.6 | 28.3 | 31.7 | 32.0 | 36.5 |
| Agricultural land and buildings and forestry | 2.2 | 3.8 | 3.6 | 2.8 | 3.3 | 2.4 |
| Other buildings and civil engineering works | 23.7 | 26.8 | 27.7 | 27.6 | 30.0 | 27.4 |
| Plant and machinery | 18.6 | 18.2 | 18.4 | 18.0 | 15.6 | 15.2 |
| Vehicles including ships and aircraft | 2.5 | 2.5 | 2.8 | 2.9 | 2.1 | 1.6 |
| Stocks and work in progress | 11.8 | 9.7 | 8.4 | 7.3 | 6.4 | 5.5 |
| All tangible assets | 85.0 | 87.7 | 89.2 | 90.3 | 89.6 | 88.6 |
| Intangible non-financial assets | 14.8 | 10.6 | 8.7 | 9.3 | 9.0 | 6.6 |
| Net claims overseas | 0.1 | 1.7 | 2.1 | 0.4 | 1.4 | 4.8 |
| National wealth | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

**Note:** Totals may not add to sum of components due to rounding.

An alternative approach to the estimation of 'real' wealth would be to look at assets as a store of wealth in terms of goods and services for which the wealth can be exchanged. In this case the owner of one acre of land may consider its 'real' value to have increased between 1957 and 1985 if in the latter year he can purchase more goods and services for its sale than in the earlier year. Using this approach the value of personal sector wealth may be deflated by an index of consumer prices in line with the convention whereby this index is used to obtain figures of 'real' personal disposable income. In a similar manner the national wealth might be deflated by the implied price index for total final expenditure and this would suggest an increase in 'real' national wealth over 200 per cent between 1957 and 1985 compared with 86 per cent using deflation by asset values.

There have been some marked changes in the composition of the national wealth over the last twenty eight years and these changes are shown in Table 4. It will be seen that rises in the value of land and buildings and the value of net claims abroad have increased the share of these assets in the national wealth at the expense of the shares of plant and equipment, stocks and also intangible non financial assets. There are a number of explanations of these changes. The decline in the share of intangible non financial assets (mainly housing tenancy rights) reflects the decline in rented housing, especially in the private sector and, in recent years, the decline in the value of tenants' interests in this housing vis a vis landlords. This reflects faster increases in rented housing values than owner occupied housing. The decline of the share of stocks and work in progress in the national wealth reflects, at least in part, the decline in the relative importance of manufacturing companies who hold about half the nation's stocks and work in progress.

This decline in the importance of manufacturing may also have contributed to the decline in the proportion of the nation's wealth held in plant and machinery during recent years. After fluctuating around 18 per cent between 1957 and 1975 the value of plant and machinery declined to 15 per cent of the national wealth by the end of 1985: a decline which is perhaps more surprising if it is also noted that net fixed capital formation in plant and machinery contributed 32 per cent of net fixed capital formation in all assets during the ten years 1975 to 1985. Other things being equal this would have led to an increase in plant and machinery's share of the national wealth but the fact that it did not is explained by changes in relative prices having a much greater impact on the composition of the national wealth than net capital formation. During the ten years to the close of 1985, for example, average house prices rose much faster than plant and equipment prices. During these ten years residential building contributed only 28 per cent of net fixed capital formation yet relative price increases for housing raised its share of national wealth from 32 per cent to 37 per cent.

Changes in the share of agricultural land and buildings in the national wealth mainly reflect changes in land values and changes in relative prices also explain some of the changes in the share of other buildings and civil engineering works with the decline during 1980 to 1985 explained by low increases in commercial and industrial property values compared with earlier periods. The marked increase during recent years in the proportion of the nation's wealth held in the form of net claims overseas reflects high net investment abroad and also increases in the value of overseas assets.

**Table 5 Sector Shares of Tangible Wealth**

Percentages

| End years | 1957 | 1963 | 1969 | 1975 | 1980 | 1985 |
|---|---|---|---|---|---|---|
| Persons | 36.8 | 37.4 | 37.6 | 39.3 | 40.2 | 44.3 |
| Industrial and commercial companies | 31.5 | 31.2 | 29.6 | 27.4 | 27.1 | 26.9 |
| Monetary sector | 0.2 | 0.3 | 0.5 | 0.5 | 0.5 | 0.6 |
| Other financial institutions | 0.9 | 1.2 | 1.8 | 2.5 | 3.5 | 4.2 |
| Total private sector | 69.3 | 70.1 | 69.5 | 69.7 | 71.3 | 75.9 |
| Public corporations | 13.7 | 14.0 | 14.3 | 14.5 | 13.1 | 9.4 |
| Local authorities | 12.0 | 12.1 | 12.2 | 11.1 | 10.8 | 10.3 |
| Central government | 5.0 | 3.8 | 4.0 | 4.7 | 4.7 | 4.3 |
| Total public sector | 30.7 | 29.9 | 30.5 | 30.3 | 28.7 | 24.1 |

**Note:** Totals may not equal sum of components due to rounding.

### Sectoral distribution

The sectoral distribution of the national wealth reflects the distribution of the value of tangible wealth, intangible non financial assets and the net financial positions of each sector. It is interesting to look first at the sectoral distribution of tangible wealth and changes over time in its distribution since this represents each sector's command over real capital. It will be seen from Chart 2 and Table 5 that three sectors (the personal sector, monetary sector and other financial institutions) have seen substantial and continuous increases in their share of the nation's tangible wealth over the last twenty eight years. The monetary sector's share has increased from 0.2 per cent to 0.6 per cent and other financial institutions share from 0.9 per cent to 4.2 per cent largely reflecting the high level of capital formation by these sectors. During the last ten years these two sectors contributed 26 per cent of the national net capital formation, that is gross capital formation less capital consumption. The personal sector also saw its share of national tangible wealth rise from 37 per cent in 1957 to 39 per cent in 1975 and 44 per cent by 1985 whereas this sector contributed only 30 per cent of national net capital formation during the last ten years. The main engine of the increase in the personal sector's share of national wealth was the increase in the relative value of residential properties which has already been noted.

General government's share of the national tangible wealth has declined from 17 per cent to 15 per cent during the last twenty eight years. The share of public corporations was around 14 per cent between 1957 and 1975 but has since dropped sharply reflecting low net capital formation and in recent years privatisation of several corporations. These privatisations however helped to slow the decline in industrial and commercial companies share of tangible wealth which declined from 31 per cent in 1957 to about 27 per cent by the close of 1985. In the absence of privatisations its share would have fallen to about 25 per cent. Industrial and commercial companies' wealth is concentrated in assets with declining relative values: plant and equipment and stocks and work in progress represent about three-fifths of the sector's tangible wealth.

The picture changes once intangible non financial assets and financial assets and liabilities are taken into account. All three public sectors, industrial and commercial companies and other financial institutions have negative financial positions (that is their financial liabilities exceed their financial assets). On the other hand the personal sector has always owned financial assets worth substantially more than its financial liabilities. The figures in Table 6 show sector shares of national wealth once all each sectors' financial assets and liabilities are taken into account. It will be seen that the public sector had a negative net worth (ie its financial liabilities exceeded its tangible and financial assets) equaling one-fifth of the national wealth in 1957 but that six years later this negative net worth had been almost eliminated because the rising value of its tangible assets outstripped increases in net financial claims on the public sector by the private sector. The public sector's shares of the national wealth then increased steadily to reach 9 per cent by 1969 and 18 per cent by 1980. However since then its share has declined due to a variety of factors including privatisation and council house sales, and at the close of 1985 it was one quarter lower than five years earlier. The sharp fluctuations

**Chart 2 Sector shares of national tangible wealth**

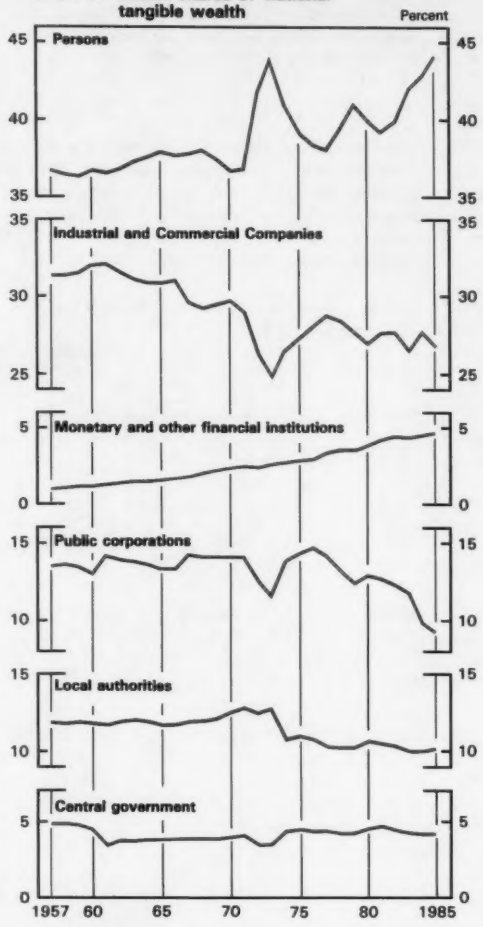



**Table 6 Sector Shares of National Wealth**

Percentages

| End years | 1957 | 1963 | 1969 | 1975 | 1980 | 1985 |
|---|---|---|---|---|---|---|
| Persons | 98.1 | 98.0 | 82.5 | 65.8 | 64.2 | 71.5 |
| Industrial and commercial companies | 12.0 | 2.2 | 6.0 | 14.1 | 15.5 | 11.3 |
| Monetary sector | — 0.1 | 0.4 | 0.1 | 0.7 | 0.4 | 1.5 |
| Other financial institutions | 0.9 | 1.2 | 2.4 | 1.9 | 1.8 | 2.1 |
| Total private sector | 111.0 | 101.7 | 91.0 | 82.6 | 81.9 | 86.4 |
| Public corporations | 6.1 | 4.5 | 6.4 | 8.7 | 9.0 | 6.8 |
| Local authorities | 2.3 | 3.4 | 3.5 | 5.3 | 6.7 | 6.8 |
| Central government | — 19.4 | — 9.6 | — 0.8 | 3.4 | 2.3 | 0.0 |
| Total public sector | — 11.0 | — 1.7 | 9.0 | 17.4 | 18.1 | 13.6 |

**Note:** Totals may not equal sum of components due to rounding.

in the share of industrial and commercial companies reflects, at least in part, that changes in the value of the sector's main assets (building, plant and stocks) do not always complement changes in the value of its financial liabilities (principally share values).

### The Personal Sector

Personal sector wealth increased from £66 bn at the end of 1957 to £1165 bn by the close of 1985. These figures include the personal sector's wealth in tangible assets, intangible non financial assets (housing and agricultural tenancy rights) and net financial assets. Increases in personal sector wealth outpaced increases in personal disposable income in some periods and lagged it in others.

**Table 7 Average Annual Growth Rates of Personal Sector Income and Wealth**

Percentages

| End years | Income[1] | Wealth |
|---|---|---|
| 1957-60 | 6.3 | 8.3 |
| 1960-64 | 6.8 | 5.6 |
| 1964-69 | 6.1 | 7.0 |
| 1969-73 | 13.5 | 16.0 |
| 1973-79 | 18.4 | 14.8 |
| 1979-85 | 8.7 | 11.6 |

(1) Personal disposable income

Increases in asset values were the main cause of the growth of the personal sector's wealth throughout the period. During the ten years 1975 to 1985 the £862 bn increase in the net worth of the personal sector was made up as follows:

| | |
|---|---|
| Net capital formation | £38bn |
| Net capital transfers less capital taxes | £5bn |
| Financial surpluses, capital account | £100bn |
| Price and other changes: tangible assets | £430bn |
| Price and other changes: net financial claims | £215bn |
| Price and other changes: intangible non financial assets | £74bn |
| Total | £862bn |

In practice the changes noted as 'Price and other changes' are almost entirely price changes and thus changes in asset values were responsible for more than four fifths of the growth in the sector's wealth. These ten years saw increases in asset values far outstripping general inflation: householders experienced high increases in house values and also a substantial increase in the value of financial assets.

How has the sector's wealth changed in 'real' terms, after adjusting for changing money values? As discussed earlier this begs the question how to make the adjustments for changing money values since the sector's assets may be deflated either by indices of asset values or indices of consumer prices. The use of indices of asset values is straightforward as regards tangible assets but has not been attempted here in respect of the sectors net financial assets except in very rough terms. Using indices of asset values the personal sector's wealth appears to have increased between 1.5 and 2.5 per cent per annum each year between 1975 and 1985, with a total increase amounting to 23 per cent over the whole 10 years.

To allow for changing money values by way of the price index of consumer goods yields estimates of 'real' personal sector wealth which show changes in wealth in terms of the value of consumer goods and services for which the wealth can be exchanged. Figures of 'real' personal sector wealth constructed in this way are shown in Table 8 together with figures of 'real' personal disposable income. Over the last twelve years the cumulative growth in 'real' personal wealth amounts to 19 per cent compared with a growth in 'real' personal disposable income of 22 per cent. Figures of 'real' personal disposable income and wealth are shown in Chart 3.

**Table 8 Average Annual Growth Rates of "Real" Personal Sector Income and Wealth**

Percentages

| End years | Income[1] | Wealth |
|---|---|---|
| 1957-60 | 4.7 | 6.6 |
| 1960-64 | 3.4 | 2.2 |
| 1964-69 | 1.6 | 2.5 |
| 1969-73 | 4.8 | 7.1 |
| 1973-79 | 2.2 | — 0.9 |
| 1979-85 | 1.1 | 3.8 |

(1) Personal disposable income

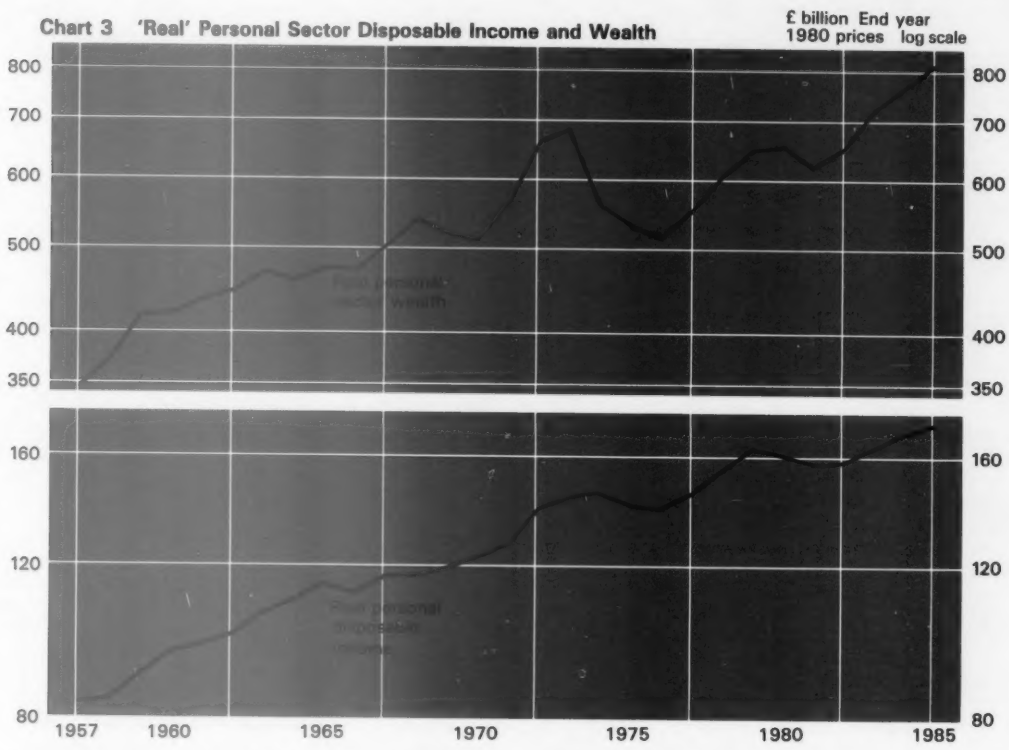
The composition of the sector's growing wealth changed little between 1975 and 1985, following the sharp changes during 1969 to 1975 when the value of residential buildings rose very quickly whilst the value of financial assets declined in real terms. Between 1969 and 1975 the value of the sector's residential buildings rose from £44 bn to £128 bn (up 191 per cent) whilst its net financial assets increased from £71 bn to £97 bn (up 37 per cent). Between 1975 and 1985 the value of the sector's residential buildings and net financial assets both increased more than four fold so that by the close of 1985 residential buildings were worth more than £500 bn and net financial assets more than £400 bn.

### Industrial and Commercial Companies

This sector owned tangible assets worth £389 bn at the close of 1985 offset by net financial liabilities of £205 bn to give a net sectoral worth of £184 bn. It is notable that whilst this sector's net worth increased from £65 bn to £189 bn between 1975 and 1981 it stayed broadly unchanged between 1981 and 1985 with an increase of £103 bn in the value of its tangible assets being offset by an increase in its net financial liabilities of £108 bn. An important factor here is the accounting treatment of companies share capital in the sector balance sheets. The value of companies' shares is treated as a financial asset of the shareholders and a financial liability of companies so that rises in share values lead, other things being equal, to a reduction in the sector's net worth. The substantial increases in share values may go some way therefore to explain why the increases in companies tangible asset values in recent years have not led to an increase in the sector's net worth. Between the end of 1981 and the end of 1985 companies net liabilities on account of share capital increased by £129 bn of which only £10 bn was accounted by new issues.

It may seem curious that a rise in companies share prices, perhaps due to a change in sentiment, should lead to a reduction in the estimated net worth of the company sector. However this reflects the general principle followed in the construction of sector balance sheets that financial liabilities (here companies' issued share capital) should have the same value as the equivalent assets (here the shareholdings). Thus when share prices rise a reduction in the wealth of the share issuer is necessary to counter balance the increase in the wealth of the shareholder. In the company sector balance sheet the net worth may thus be considered as a balancing item which reflects any excess of tangible and financial assets less non share liabilities over the market valuation of companies' shares. In this connection it should be noted however that the values of plant and machinery which are a major component of the wealth of the sector are based on the CSO perpetual inventory method and are arguably an overstatement of market values which would be established if there were an active market in second hand plant. It is also possible that market values of plant and machinery, if

**Chart 3 'Real' Personal Sector Disposable Income and Wealth**




they existed, would be correlated with the market values of shares though it is unlikely such a correlation would explain all the changes in this sector's net worth.

Industrial and commercial companies' tangible assets are mainly commercial and industrial buildings, plant and equipment and stocks. At the close of 1985 industrial and commercial companies owned about 42 per cent of the nation's commercial, industrial and other buildings; 61 per cent of its plant and machinery; and 82 per cent of stocks. Overall the sector's share of the nation's tangible assets was 27 per cent which was about the same as five years earlier. Aside from privatisations the sector's share of the nation's tangible asset values would have declined to about 25 per cent at the end of 1985 due in part to the value of the sector's tangible assets rising less than other assets and also to the sector's increased use of assets leased from the financial sectors in place of assets acquired directly. Between 1975 and 1985 the sector's tangible asset values rose £268 bn to which net capital formation contributed £28 bn and sector reclassifications £22 bn.

### Financial Institutions

Monetary sector institutions and other financial institutions have substantial financial assets and liabilities but comparatively low net worths by the nature of their activities as financial intermediaries. The monetary sector's net worth was £25 bn at the end of 1985 made up of tangible assets worth £9 bn and net financial claims amounting to £16 bn.

Other financial institutions net worth was £34 bn at the close of 1985 comprising tangible asset values of £60 bn and net financial liabilities of £26 bn. The steady increase of other financial institutions' share of the nations tangible assets during 1957 to 1985 has already been noted. During the ten years 1975 to 1985 other financial institutions increased their share of the nations' commercial, industrial and other buildings from 9 per cent to 12 per cent. Acquisitions of insurance companies and pension funds are the main explanation, though the increase appears now to have flattened out. Over the same period the activities of specialist financial lessors increased the sector's share of the nation's plant and equipment from 3 per cent to 7 per cent.

The net capital formation of insurance companies, pension funds and specialist financial lessors amounted to £30 bn during 1975-1985 whilst increases in asset values contributed £20 bn to the £48 bn increase in the sector's tangible wealth. Monetary sector institutions and other financial institutions were the only sectors where net capital formation contributed more to increases in tangible wealth than increases in asset values.

### Public Corporations

These corporations had tangible assets worth £136 bn at the end of 1985 and net financial liabilities of £25 bn to give a sectoral net worth of £111 bn which represented an increase of only 15 per cent on five years earlier. During these five years the value of the sector's tangible assets rose only 8 per cent whilst net financial liabilities fell 15 per cent. The sector's tangible assets are mainly

**Table 9 Public Corporations Reconciliation Account: Tangible Assets**

£bn

| | 1975-80 | 1980-85 |
|---|---|---|
| Tangible asset values, start of period | 60.4 | 126.2 |
| Net capital formation | 4.7 | — 0.4 |
| Sector reclassifications | 0.8 | — 23.5 |
| Price and other changes | 60.3 | 33.9 |
| Tangible asset values, end of period | 126.2 | 136.2 |

civil engineering works and plant and machinery.

Various factors have contributed to the low growth in this sector's tangible wealth during recent years: low net capital formation, low increases in asset values and privatisation. This is illustrated in Table 9 which contrasts developments in the sector's wealth between 1975 and 1980 and between 1980 and 1985. At the end of 1985 the sector's share of the nation's tangible wealth was one quarter lower than five years earlier. Privatisations explain over one half of this decline.

**Local Authorities**

Back in 1957 local authorites had tangible wealth valued at £7 bn and net financial liabilities of £5 bn giving a net sector worth of £2 bn. Since then increases in tangible asset values have far outstripped increases in the sector's financial liabilities so that by the close of 1985 the sector's net worth had risen more than 50 fold to £111 bn made up of tangible assets worth £149 bn and net financial liabilities of £38 bn. During the last five years inflation of asset values has been the sole cause of growth in this sector's tangible wealth since the sector's net capital formation has been negligible reflecting mainly the impact of council house sales. Inflation of asset values has been bigger than average in this sector for two reasons. First the value of tenanted dwellings has been rising fast and during 1982 to 1985 notably faster than the value of owner occupied dwellings. Secondly land values which have also been rising quickly have a big impact on the sector's wealth in roads though assessment of these land values is very rough. Local authorities most valuable assets are their dwelling stock, roads and schools in that order.

**Central Government**

Thirty years ago the sector had a negative net worth (ie its net financial liabilities exceeded its tangible and financial assets) amounting to 19 per cent of the national wealth. Increases in the value of its tangible assets contributed to the elimination of this net negative worth by about 1970 and throughout the 1970s the sector's tangible asset values outweighed its negative financial position. During the 1980s rises in the value of government securities however contributed to a decline in the government's net financial position and since the end of 1982 the sector's net worth has been close to zero, marginally negative in some years and marginally positive in other years. At the close of 1985 the sector had tangible assets worth £63 bn and net financial liabilities of £63 bn to give a zero sector worth.

Throughout this period the sector's tangible wealth has fluctuated around 4 to 5 per cent of the nation's tangible wealth. The biggest items are the national road network, hospitals and government offices in that order. During the years 1975 to 1985 the sector's net capital formation amounted to £13 bn whilst price and other changes contributed £30 bn to the increase in the sector's tangible wealth. Inflation however was not the main explanation of increases in the sector's wealth during the second half of this period: between 1980 and 1985 net capital formation contributed £8 bn to increases in the sector's wealth and price and other changes about £6.5 bn.

**Land Values**

The CSO capital stock estimates give an alternative view of the value of the nation's assets except in the case of plant and machinery where the net capital stock estimates have been used for the balance sheets. For residential and other buildings these alternative valuations have two distinctive features: first, they exclude land values and, secondly, they are replacement cost valuations. At first sight therefore comparison of balance sheet valuations of land and buildings with capital stock estimates of the value of buildings offers an estimate of land values. However such comparisons have pitfalls. First capital stock estimates are extremely dependent on assumptions about asset lives which must often be rough. Secondly the question arises whether comparison should be made between market values of land and buildings in the balance sheets and gross capital stock or net (ie depreciated) capital stock.

Balance sheet valuations of private sector residential buildings are compared below with gross capital stock estimates because it is clear that the value of older dwellings is often not greatly different from the value of new dwellings, at least not until the older dwellings are nearing the end of their useful life. An explanation for this may be that buyers view the services offered by a dwelling to be similar whatever its age and, if buyers discount future services at a significant rate, a new dwelling will be worth

**Table 10 Private Sector Residential Buildings**

£bn

| End year | Land and buildings[1] (balance sheets) | Buildings only (gross capital stock) | Implicit land values |
|---|---|---|---|
| 1970 | 55.4 | 36.6 | 18.8 |
| 1973 | 125.8 | 71.3 | 54.5 |
| 1976 | 158.7 | 104.3 | 54.4 |
| 1979 | 298.5 | 200.1 | 98.4 |
| 1982 | 379.7 | 283.0 | 96.7 |
| 1985 | 563.7 | 376.8 | 186.9 |

(1) Includes intangible values of private sector housing tenancy rights.

little more than an old dwelling because the extra stream of services offered by the new dwelling (after the old dwelling has deceased) are very far off and therefore very heavily discounted. The comparative values of residential buildings with and without land may not give a reliable guide to site values though they should give some indication of the change in the relative values of land and buildings respectively over time. It is interesting that changes in estimated housing land values follow a similar pattern to DOE's index of housing land prices, though the overall increase in land values suggested is rather greater.

For other private sector buildings depreciation is much more important, witness the College of Estate Management's recent report on the depreciation of commercial buildings which suggest heavy depreciation of capital values in the first ten years of the life of commercial and industrial properties. Comparisons of market values of land and buildings with net capital stock estimates seem therefore more appropriate than comparisons with gross stock. These figures suggest land values for private sector buildings and civil engineering works at the close of 1985 amounting to

**Table 11 Private Sector Buildings and Civil Engineering Works[1]**

£bn

| End year | Land and buildings (balance sheets) | Buildings only (net capital stock) | Implicit land values |
|---|---|---|---|
| 1970 | 24.6 | 17.6 | 7.0 |
| 1973 | 45.4 | 35.7 | 9.7 |
| 1976 | 61.6 | 59.7 | 1.9 |
| 1979 | 128.9 | 103.9 | 25.0 |
| 1982 | 191.3 | 129.7 | 61.6 |
| 1985 | 237.8 | 153.2 | 84.6 |

(1) Figure exclude agricultural buildings and works.

around 36 per cent of the combined value of land and buildings. A direct estimate based on District Valuers' assessments of the site values of 2600 commercial and industrial buildings for national and sector balance sheets indicated site values to be about 31 per cent of the total value of commercial and industrial properties.

For public sector residential and other buildings comparison of capital stock estimates of the value of buildings with balance sheet estimates of the value of land and buildings suggests much lower land values. For local authority residential buildings market values are well below replacement costs since the balance sheets attribute to local authorities only the values of landlords' interests. If the capital stock is compared with the sum of the value of landlords' and tenants' interests in the buildings a residual estimate of the value of land may be obtained. This value is low and sometimes negative from which it would appear that the cost of construction of local authority residential buildings is not reflected in the values which these buildings might fetch on the open market. In the case of non residential buildings the lower land values in the public sector than the private sector reflect Valuation Office advice that land values for community assets are much lower than values for housing and commercial use.

## FUTURE DEVELOPMENTS

The CSO has no current plans to compile complete sets of national and sector balance sheets on an annual basis, though exceptionally it is intended to include 1986 estimates in the 1987 Edition of the CSO Blue Book. Annual estimates will of course continue to be compiled for the personal sector balance sheet and estimates of the financial assets and liabilities of all sectors will continue to be published in Financial Statistics since the need for these statistics is already firmly established. The next major development will be the introduction of reconciliation accounts for financial assets and liabilities reconciling flow transactions and changes in amounts of assets and liabilities outstanding. Further updates of tangible asset values will be made when resources permit and depending on the contribution it is considered they can make to government assessments of economic developments. From a statistical viewpoint more regular updates would undoubtedly yield benefits in the quality of valuations possible because methods would be continually reviewed and improved. Also it is always easier to make reliable valuations for a current or recently past point in time whereas assessment of values for more distant dates is progressively more difficult.

Valuation of tangible asset values for a variety of assets across seven sectors was a substantial task and inevitably resources had to be spread thinly in places. The paucity of information was also notable for some sectors of the economy, in particular for local authorities for which valuations are perhaps weakest. The valuations for local authorities would benefit from special inquiries to these authorities about the value of their land and buildings other than residential properties. In the private sector information on private non profit making bodies which are part of the personal sector is scarce and estimates of the value of land and buildings owned by industrial commercial companies had to be obtained as a residual of estimates for all the other sectors. Analyses of companies accounts would be helpful here as a check on values.

## ACKNOWLEDGEMENTS

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## TABLE A1 SUMMARY NATIONAL AND SECTOR WEALTH ESTIMATES 1957–1985

£bn

| | 1957 | 1960 | 1963 | 1966 | 1969 | 1972 | 1975 | 1978 | 1981 | 1983 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Persons | 65.7 | 83.4 | 101.5 | 115.5 | 145.6 | 227.8 | 303.2 | 480.1 | 722.3 | 937.5 | 1165.0 |
| I&C companies | 8.1 | 3.3 | 2.2 | 12.6 | 10.5 | 12.6 | 65.1 | 124.0 | 188.9 | 184.5 | 184.2 |
| Monetary sector | −0.0 | −0.1 | 0.4 | 0.3 | 0.1 | −1.7 | 3.3 | 5.7 | 3.4 | 12.8 | 25.0 |
| Other financial institutions | 0.6 | 0.8 | 1.2 | 1.7 | 4.2 | 7.2 | 8.9 | 18.7 | 23.5 | 27.8 | 34.0 |
| Public corporations | 4.1 | 4.1 | 4.7 | 6.6 | 11.2 | 19.6 | 40.2 | 64.5 | 104.6 | 117.4 | 111.3 |
| Local authorities | 1.5 | 2.1 | 3.5 | 4.3 | 6.2 | 15.4 | 24.2 | 42.7 | 77.8 | 90.8 | 111.0 |
| Central government | −13.0 | −12.4 | −9.9 | −6.7 | −1.5 | 7.0 | 15.7 | 14.6 | 24.5 | −2.5 | −0.3 |
| Total net worth | 67.0 | 81.2 | 103.6 | 134.2 | 176.4 | 288.0 | 460.5 | 750.4 | 1145.2 | 1368.4 | 1630.3 |

## TABLE A2 NATIONAL BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 146.2 | 162.6 | 182.4 | 231.4 | 303.8 | 343.4 | 359.1 | 393.6 | 461.3 | 519.6 | 595.2 |
| Agricultural land and buildings and forestry | 12.8 | 16.3 | 23.2 | 29.3 | 38.0 | 35.7 | 35.9 | 37.8 | 43.1 | 40.4 | 39.3 |
| Commercial buildings | 32.8 | 37.5 | 51.0 | 66.4 | 84.4 | 101.7 | 120.2 | 132.8 | 146.0 | 161.2 | 174.2 |
| Industrial buildings | 11.4 | 11.3 | 14.7 | 18.0 | 22.0 | 24.6 | 26.4 | 26.9 | 26.7 | 27.1 | 25.9 |
| Other buildings | 37.7 | 41.3 | 46.0 | 54.0 | 68.6 | 84.7 | 87.0 | 88.2 | 89.0 | 93.8 | 100.7 |
| Civil engineering works | 45.0 | 51.5 | 58.0 | 69.3 | 88.7 | 111.4 | 118.1 | 121.5 | 129.2 | 136.3 | 145.1 |
| Plant and machinery | 82.8 | 99.7 | 115.0 | 130.0 | 148.5 | 168.0 | 184.4 | 198.9 | 212.2 | 228.2 | 247.3 |
| Ships, aircraft and railway rolling stock | 7.3 | 9.3 | 8.0 | 9.8 | 12.0 | 10.1 | 8.3 | 7.9 | 8.6 | 10.0 | 8.7 |
| Road vehicles | 6.0 | 6.7 | 8.2 | 10.5 | 13.0 | 12.9 | 13.2 | 14.6 | 15.4 | 16.5 | 18.1 |
| Stocks and work in progress | 33.8 | 41.4 | 48.3 | 54.3 | 65.3 | 69.2 | 72.5 | 75.5 | 81.2 | 86.2 | 89.8 |
| All tangible assets | 415.8 | 477.5 | 554.8 | 673.0 | 844.3 | 961.8 | 1025.2 | 1097.6 | 1212.6 | 1319.4 | 1444.5 |
| Intangible non-financial assets | 42.8 | 47.8 | 51.5 | 66.6 | 89.7 | 96.8 | 93.5 | 96.7 | 101.7 | 103.5 | 107.1 |
| Financial assets | 98.2 | 129.7 | 142.3 | 165.7 | 197.6 | 228.4 | 321.1 | 412.0 | 485.1 | 623.0 | 594.6 |
| Financial liabilities | 96.2 | 126.5 | 138.6 | 154.9 | 186.7 | 213.0 | 294.6 | 372.1 | 431.0 | 543.5 | 515.8 |
| Net worth | 460.5 | 528.4 | 610.1 | 750.4 | 944.9 | 1073.9 | 1145.2 | 1234.3 | 1368.4 | 1502.4 | 1630.3 |

## TABLE A3 PERSONAL SECTOR BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 128.2 | 142.3 | 159.7 | 204.2 | 270.6 | 306.6 | 319.9 | 349.9 | 410.4 | 461.4 | 527.8 |
| Agricultural land and buildings and forestry | 10.8 | 13.8 | 19.7 | 25.0 | 32.4 | 30.2 | 30.2 | 31.7 | 36.2 | 33.7 | 32.7 |
| Commercial, industrial and other buildings | 12.7 | 13.8 | 16.2 | 19.3 | 23.8 | 28.4 | 31.3 | 33.7 | 38.7 | 45.1 | 51.8 |
| Civil engineering works | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 |
| Plant and machinery | 5.4 | 6.5 | 7.5 | 8.4 | 9.2 | 10.1 | 10.8 | 11.5 | 12.1 | 12.8 | 13.5 |
| Vehicles including ships, aircraft and railway rolling stock | 1.1 | 1.3 | 1.8 | 2.3 | 2.9 | 2.8 | 3.0 | 3.4 | 3.6 | 3.6 | 3.8 |
| Stocks and work in progress | 5.0 | 5.9 | 6.7 | 7.3 | 8.5 | 8.7 | 8.7 | 8.7 | 8.9 | 9.2 | 9.3 |
| All tangible assets | 163.3 | 183.8 | 211.7 | 266.7 | 347.6 | 387.1 | 404.2 | 439.2 | 510.2 | 566.3 | 639.4 |
| Intangible non-financial assets | 42.8 | 47.8 | 51.5 | 66.6 | 89.7 | 96.8 | 93.5 | 96.7 | 101.7 | 103.5 | 107.1 |
| Financial assets | 138.3 | 152.0 | 190.7 | 211.5 | 243.7 | 296.4 | 331.0 | 402.9 | 475.2 | 550.7 | 622.7 |
| Financial liabilities | 41.2 | 47.9 | 55.0 | 64.6 | 78.0 | 90.4 | 106.4 | 126.2 | 149.7 | 174.0 | 204.2 |
| Net worth | 303.2 | 335.7 | 399.0 | 480.1 | 603.0 | 689.8 | 722.3 | 812.6 | 937.5 | 1046.4 | 1165.0 |
| **Memo item:** | | | | | | | | | | | |
| **Consumer durables** | 37.9 | 44.7 | 51.4 | 60.2 | 70.2 | 78.8 | 84.2 | 90.1 | 97.6 | 104.6 | 112.8 |

## TABLE A4 INDUSTRIAL AND COMMERCIAL COMPANIES BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 1.9 | 2.0 | 2.1 | 2.6 | 3.3 | 3.7 | 4.0 | 4.5 | 5.3 | 6.0 | 7.6 |
| Agricultural land and buildings and forestry | 0.7 | 0.9 | 1.2 | 1.5 | 2.0 | 1.9 | 1.9 | 2.0 | 2.2 | 2.1 | 2.1 |
| Commercial, industrial and other buildings | 31.0 | 33.0 | 44.4 | 57.6 | 73.4 | 86.1 | 99.5 | 106.8 | 112.0 | 122.5 | 125.2 |
| Civil engineering works | 2.9 | 4.2 | 5.5 | 7.2 | 9.6 | 11.7 | 12.5 | 13.3 | 13.7 | 14.7 | 16.9 |
| Plant and machinery | 42.1 | 51.1 | 59.1 | 67.7 | 78.1 | 88.5 | 97.9 | 106.4 | 113.4 | 138.8 | 150.8 |
| Vehicles including ships, aircraft and railway rolling stock | 9.1 | 10.9 | 10.1 | 12.7 | 15.6 | 13.0 | 11.0 | 11.1 | 11.8 | 13.3 | 12.8 |
| Stocks and work in progress | 26.4 | 32.3 | 38.1 | 43.2 | 52.4 | 55.5 | 58.4 | 60.6 | 65.3 | 70.4 | 73.4 |
| All tangible assets | 114.0 | 134.5 | 160.5 | 192.6 | 234.4 | 260.4 | 285.2 | 304.7 | 323.7 | 367.8 | 388.7 |
| Financial assets | 60.4 | 73.7 | 83.5 | 95.4 | 108.9 | 120.1 | 142.4 | 164.0 | 191.1 | 232.7 | 241.1 |
| Financial liabilities | 109.2 | 121.4 | 150.0 | 164.0 | 186.8 | 214.2 | 238.7 | 283.0 | 330.3 | 398.0 | 445.6 |
| Net worth | 65.1 | 86.8 | 94.1 | 124.0 | 156.6 | 166.3 | 188.9 | 185.6 | 184.5 | 202.5 | 184.2 |

## TABLE A5 MONETARY SECTOR BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Agricultural land and buildings and forestry | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Commercial, industrial and other buildings | 1.5 | 1.6 | 2.1 | 2.5 | 2.9 | 3.4 | 3.8 | 4.4 | 4.7 | 5.1 | 5.8 |
| Civil engineering works | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Plant and machinery | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.3 | 1.5 | 1.7 | 1.9 | 2.2 | 2.6 |
| Vehicles including ships, aircraft and railway rolling stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Stocks and work in progress | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| All tangible assets | 2.2 | 2.5 | 3.0 | 3.5 | 4.1 | 4.7 | 5.4 | 6.3 | 6.7 | 7.5 | 8.6 |
| Financial assets | 145.7 | 182.1 | 193.3 | 221.5 | 266.2 | 312.5 | 424.1 | 553.7 | 628.4 | 777.0 | 766.8 |
| Financial liabilities | 144.6 | 179.5 | 191.2 | 219.3 | 264.9 | 313.3 | 426.1 | 549.1 | 622.3 | 766.3 | 750.4 |
| Net worth | 3.3 | 5.0 | 5.2 | 5.7 | 5.4 | 3.9 | 3.4 | 10.9 | 12.8 | 18.1 | 25.0 |

## TABLE A6 OTHER FINANCIAL INSTITUTIONS BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Agricultural land and buildings and forestry | 0.1 | 0.2 | 0.2 | 0.3 | 0.5 | 0.5 | 0.5 | 0.6 | 0.7 | 0.6 | 0.6 |
| Commercial, industrial and other buildings | 7.5 | 8.9 | 12.0 | 15.4 | 19.0 | 23.9 | 27.9 | 30.6 | 32.5 | 35.7 | 37.6 |
| Civil engineering works | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Plant and machinery | 2.5 | 3.1 | 3.7 | 4.3 | 5.4 | 7.1 | 8.8 | 10.4 | 12.1 | 14.3 | 17.4 |
| Vehicles including ships, aircraft and railway rolling stock | 0.2 | 0.4 | 0.5 | 1.1 | 2.0 | 2.4 | 2.5 | 2.8 | 3.0 | 3.8 | 4.6 |
| Stocks and work in progress | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| All tangible assets | 10.3 | 12.5 | 16.4 | 21.2 | 26.9 | 33.8 | 39.8 | 44.3 | 48.3 | 54.4 | 60.2 |
| Financial assets | 78.0 | 89.3 | 117.3 | 133.0 | 151.0 | 185.5 | 211.2 | 264.1 | 328.0 | 404.3 | 471.1 |
| Financial liabilities | 79.5 | 91.2 | 118.4 | 135.5 | 158.8 | 199.6 | 227.5 | 279.2 | 348.5 | 429.2 | 497.3 |
| Net worth | 8.9 | 10.5 | 15.4 | 18.7 | 19.0 | 19.7 | 23.5 | 29.3 | 27.8 | 29.4 | 34.0 |

## TABLE A7 PUBLIC CORPORATIONS BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 1.0 | 1.3 | 1.5 | 1.4 | 1.6 | 1.7 | 1.8 | 2.0 | 2.3 | 2.5 | 2.7 |
| Agricultural land and buildings and forestry | 0.2 | 0.2 | 0.3 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.5 |
| Commercial, industrial and other buildings | 7.5 | 8.7 | 9.8 | 10.9 | 13.6 | 16.9 | 16.7 | 16.5 | 16.3 | 12.8 | 13.7 |
| Civil engineering works | 18.3 | 20.6 | 22.9 | 27.0 | 33.8 | 44.1 | 45.8 | 47.1 | 51.8 | 54.6 | 56.1 |
| Plant and machinery | 28.7 | 34.1 | 39.1 | 43.3 | 48.7 | 54.3 | 58.0 | 60.9 | 64.0 | 50.5 | 52.5 |
| Vehicles including ships, aircraft and railway rolling stock | 2.7 | 3.1 | 3.5 | 3.7 | 4.0 | 4.2 | 4.3 | 4.4 | 4.6 | 4.8 | 4.7 |
| Stocks and work in progress | 2.0 | 2.7 | 3.0 | 3.3 | 3.9 | 4.5 | 5.0 | 5.7 | 6.2 | 6.0 | 5.9 |
| All tangible assets | 60.4 | 70.7 | 80.1 | 90.0 | 106.1 | 126.2 | 132.2 | 137.2 | 145.9 | 131.7 | 136.2 |
| Financial assets | 5.6 | 7.7 | 8.6 | 10.9 | 12.7 | 12.7 | 13.8 | 15.1 | 17.0 | 15.4 | 16.5 |
| Financial liabilities | 25.8 | 31.3 | 33.8 | 36.5 | 39.6 | 42.1 | 41.4 | 42.6 | 45.4 | 42.1 | 41.4 |
| Net worth | 40.2 | 47.1 | 55.0 | 64.5 | 79.3 | 96.8 | 104.6 | 109.7 | 117.4 | 105.1 | 111.3 |

## TABLE A8 LOCAL AUTHORITIES BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 14.6 | 16.5 | 18.5 | 22.5 | 27.6 | 30.5 | 32.4 | 36.1 | 42.0 | 48.4 | 55.4 |
| Agricultural land and buildings and forestry | 0.4 | 0.5 | 0.8 | 1.0 | 1.3 | 1.2 | 1.2 | 1.2 | 1.4 | 1.3 | 1.3 |
| Commercial, industrial and other buildings | 15.9 | 17.7 | 19.9 | 23.8 | 30.7 | 37.8 | 39.0 | 39.7 | 40.5 | 42.9 | 46.5 |
| Civil engineering works | 13.6 | 15.2 | 16.8 | 20.1 | 25.9 | 31.5 | 33.9 | 34.7 | 36.2 | 38.2 | 41.4 |
| Plant and machinery | 1.4 | 1.7 | 1.9 | 2.1 | 2.3 | 2.5 | 2.7 | 2.9 | 3.2 | 3.5 | 3.8 |
| Vehicles including ships, aircraft and railway rolling stock | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 |
| Stocks and work in progress | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| All tangible assets | 46.2 | 51.8 | 58.2 | 69.8 | 88.1 | 104.0 | 109.6 | 115.1 | 123.7 | 134.8 | 148.8 |
| Financial assets | 6.7 | 7.1 | 7.1 | 7.3 | 7.8 | 8.7 | 9.6 | 10.7 | 10.8 | 11.1 | 11.6 |
| Financial liabilities | 28.6 | 30.7 | 32.6 | 34.3 | 37.0 | 40.4 | 41.3 | 41.6 | 43.8 | 47.1 | 49.4 |
| Net worth | 24.2 | 28.2 | 32.6 | 42.7 | 58.8 | 72.3 | 77.8 | 84.2 | 90.8 | 98.9 | 111.0 |

## TABLE A9 CENTRAL GOVERNMENT BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 | 0.9 | 1.0 | 1.1 | 1.3 | 1.5 | 1.7 |
| Agricultural land and buildings and forestry | 0.6 | 0.7 | 0.9 | 1.1 | 1.4 | 1.5 | 1.6 | 1.8 | 2.0 | 2.1 | 2.1 |
| Commercial, industrial and other buildings | 5.9 | 6.3 | 7.3 | 8.9 | 11.6 | 14.5 | 15.3 | 16.1 | 17.0 | 18.0 | 20.3 |
| Civil engineering works | 10.0 | 11.3 | 12.6 | 14.9 | 19.1 | 23.8 | 25.7 | 26.1 | 27.1 | 28.4 | 30.3 |
| Plant and machinery | 2.0 | 2.4 | 2.8 | 3.2 | 3.7 | 4.2 | 4.7 | 5.1 | 5.5 | 6.1 | 6.7 |
| Vehicles including ships, aircraft and railway rolling stock | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Stocks and work in progress | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.8 | 0.7 | 1.2 |
| All tangible assets | 19.4 | 21.7 | 24.7 | 29.3 | 37.1 | 45.5 | 48.8 | 50.9 | 53.9 | 56.9 | 62.6 |
| Financial assets | 41.7 | 46.4 | 56.7 | 59.5 | 69.8 | 76.7 | 80.3 | 87.0 | 94.5 | 111.8 | 119.2 |
| Financial liabilities | 45.4 | 53.0 | 72.6 | 74.2 | 84.2 | 97.1 | 104.6 | 135.8 | 150.9 | 166.7 | 182.0 |
| Net worth | 15.7 | 15.1 | 8.9 | 14.6 | 22.8 | 25.1 | 24.5 | 2.1 | −2.5 | 2.0 | −0.3 |

## TABLE A10 NON BANK PRIVATE SECTOR CONSOLIDATED BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 130.1 | 144.4 | 161.8 | 206.8 | 273.8 | 310.3 | 323.9 | 354.4 | 415.7 | 467.3 | 535.4 |
| Agricultural land and buildings and forestry | 11.6 | 14.8 | 21.2 | 26.9 | 34.8 | 32.5 | 32.6 | 34.3 | 39.1 | 36.5 | 35.4 |
| Commercial, industrial and other buildings | 51.2 | 55.8 | 72.7 | 92.3 | 116.2 | 138.4 | 158.7 | 171.0 | 183.2 | 203.3 | 214.6 |
| Civil engineering works | 3.0 | 4.3 | 5.7 | 7.4 | 9.9 | 11.9 | 12.8 | 13.6 | 14.1 | 15.1 | 17.4 |
| Plant and machinery | 50.0 | 60.7 | 70.3 | 80.4 | 92.7 | 105.7 | 117.5 | 128.3 | 137.6 | 165.9 | 181.7 |
| Vehicles including ships, aircraft and railway rolling stock | 10.4 | 12.5 | 12.3 | 16.2 | 20.5 | 18.2 | 16.6 | 17.3 | 18.4 | 20.8 | 21.2 |
| Stocks and work in progress | 31.4 | 38.2 | 44.8 | 50.5 | 60.9 | 64.2 | 67.1 | 69.3 | 74.2 | 79.6 | 82.6 |
| All tangible assets | 287.7 | 330.7 | 388.7 | 480.4 | 608.9 | 681.3 | 729.1 | 788.2 | 882.3 | 988.5 | 1088.3 |
| Intangible non-financial assets | 42.8 | 47.8 | 51.5 | 66.6 | 89.7 | 96.8 | 93.5 | 96.7 | 101.7 | 103.5 | 107.1 |
| Financial assets | 111.8 | 129.8 | 152.5 | 170.1 | 195.0 | 230.5 | 274.5 | 339.6 | 390.5 | 460.0 | 487.8 |
| Financial liabilities | 65.1 | 75.4 | 84.3 | 94.2 | 115.0 | 132.7 | 162.4 | 197.1 | 224.6 | 273.7 | 299.9 |
| Net worth | 377.2 | 433.0 | 508.4 | 622.9 | 778.6 | 875.8 | 934.7 | 1027.5 | 1149.9 | 1278.3 | 1383.3 |

## TABLE A11 PUBLIC SECTOR CONSOLIDATED BALANCE SHEET

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential buildings | 16.1 | 18.2 | 20.5 | 24.6 | 30.0 | 33.1 | 35.2 | 39.2 | 45.5 | 52.3 | 59.8 |
| Agricultural land and buildings and forestry | 1.1 | 1.5 | 2.0 | 2.5 | 3.2 | 3.2 | 3.3 | 3.6 | 4.0 | 4.0 | 4.0 |
| Commercial, industrial and other buildings | 29.3 | 32.7 | 37.1 | 43.5 | 55.8 | 69.3 | 71.0 | 72.4 | 73.9 | 73.7 | 80.5 |
| Civil engineering works | 42.0 | 47.1 | 52.3 | 61.9 | 78.9 | 99.4 | 105.4 | 107.9 | 115.1 | 121.2 | 127.7 |
| Plant and machinery | 32.1 | 38.2 | 43.8 | 48.6 | 54.7 | 61.0 | 65.4 | 68.9 | 72.7 | 60.1 | 63.0 |
| Vehicles including ships, aircraft and railway rolling stock | 2.9 | 3.4 | 3.8 | 4.1 | 4.4 | 4.7 | 4.9 | 5.1 | 5.3 | 5.5 | 5.5 |
| Stocks and work in progress | 2.4 | 3.2 | 3.5 | 3.8 | 4.4 | 5.0 | 5.4 | 6.2 | 7.0 | 6.6 | 7.2 |
| All tangible assets | 125.9 | 144.3 | 163.1 | 189.1 | 231.4 | 275.7 | 290.6 | 303.2 | 323.6 | 323.5 | 347.6 |
| Financial assets | 22.1 | 25.7 | 35.5 | 37.4 | 46.3 | 49.5 | 57.6 | 63.9 | 66.9 | 82.1 | 85.1 |
| Financial liabilities | 68.0 | 79.6 | 102.1 | 104.7 | 116.8 | 131.0 | 141.2 | 171.1 | 184.7 | 199.6 | 210.6 |
| Net worth | 80.1 | 90.4 | 96.5 | 121.8 | 160.9 | 194.2 | 207.0 | 196.0 | 205.7 | 206.0 | 222.0 |

## TABLE A12 UK OIL AND NATURAL GAS RESERVES

£bn

| Asset | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| OIL (million tonnes) | | | | | | | | | | | |
| Initially recoverable reserves | 1351.0 | 1393.0 | 1455.0 | 1503.0 | 1384.0 | 1388.0 | 1404.0 | 1450.0 | 1500.0 | 1500.0 | 1580.0 |
| Cumulative production | 1.0 | 13.0 | 50.0 | 106.0 | 184.0 | 263.0 | 354.0 | 457.0 | 572.0 | 698.0 | 825.0 |
| Remaining recoverable reserves | 1350.0 | 1380.0 | 1405.0 | 1397.0 | 1200.0 | 1125.0 | 1050.0 | 993.0 | 928.0 | 802.0 | 755.0 |
| NATURAL GAS (billion cubic metres) | | | | | | | | | | | |
| Initially recoverable reserves | 982.0 | 1015.0 | 985.0 | 986.0 | 1089.0 | 1121.0 | 1082.0 | 1066.0 | 1178.0 | 1229.0 | 1184.0 |
| Cumulative production | 167.0 | 206.0 | 241.0 | 280.0 | 335.0 | 382.0 | 418.0 | 433.0 | 466.0 | 504.0 | 536.0 |
| Remaining recoverable reserves | 815.0 | 809.0 | 744.0 | 706.0 | 754.0 | 739.0 | 664.0 | 633.0 | 712.0 | 725.0 | 648.0 |

Source: Department of Energy "Brown Book" 1976 to 1986.
Figures of reserves in this table are the proven reserves.
Proven reserves are those reserves which, on the available evidence at the time, were virtually certain to be technically and economically producible.
The National Coal Board estimated proven coal reserves to be around 5 million tonnes in evidence to the Select Committee on Energy, 5 November 1986. This consists of reserves which have been fully proven; reserves which have been proved but some further proving is still required before the seam can be worked; reserves which are known to exist but are not fully proven.

## TABLE A13 PERSONAL SECTOR RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 163.3 | 183.8 | 211.7 | 266.7 | 347.6 | 387.1 | 404.2 | 439.2 | 510.2 | 566.3 |
| New capital formation* | 4.7 | 5.6 | 6.5 | 8.0 | 8.2 | 8.4 | 9.1 | 10.4 | 12.1 | 12.4 |
| Purchases less sales of land and buildings | −0.3 | 0.2 | 0.0 | 0.6 | 0.9 | 1.3 | 2.8 | 4.0 | 3.4 | 4.0 |
| Capital consumption | −3.0 | −3.5 | −4.1 | −5.0 | −6.2 | −7.0 | −7.6 | −8.4 | −9.1 | −10.0 |
| Sector reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other identifiable changes | 0.5 | 0.7 | 0.8 | 0.8 | 1.2 | 1.6 | 0.8 | 0.6 | 0.2 | 0.4 |
| Price and other changes | 18.4 | 24.8 | 51.8 | 76.6 | 35.4 | 12.9 | 29.9 | 64.4 | 49.5 | 66.2 |
| Market value, end of year | 183.8 | 211.7 | 266.7 | 347.6 | 387.1 | 404.2 | 439.2 | 510.2 | 566.3 | 639.4 |

*Includes stock building

## TABLE A14 INDUSTRIAL AND COMMERCIAL COMPANIES SECTOR RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 114.0 | 134.5 | 160.6 | 192.6 | 234.4 | 260.4 | 285.2 | 304.7 | 323.7 | 367.8 |
| New capital formation* | 8.8 | 11.6 | 13.6 | 15.9 | 12.2 | 12.2 | 13.6 | 16.2 | 19.6 | 23.1 |
| Purchases less sales of land and buildings | −0.3 | −0.3 | 0.0 | 0.0 | 0.1 | 0.2 | 0.2 | −0.2 | 0.2 | 0.4 |
| Capital consumption | −5.7 | −6.8 | −8.2 | −9.7 | −11.8 | −13.2 | −14.0 | −14.9 | −15.8 | −18.7 |
| Sector reclassifications | 0.0 | 0.0 | −1.1 | 0.0 | 0.0 | 3.3 | 0.0 | 0.4 | 18.7 | 0.8 |
| Other identifiable changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Price and other changes | 17.6 | 21.7 | 27.7 | 35.6 | 25.4 | 22.2 | 19.7 | 17.5 | 21.4 | 15.4 |
| Market value, end of year | 134.5 | 160.6 | 192.6 | 234.4 | 260.4 | 285.2 | 304.7 | 323.7 | 367.8 | 388.7 |

*Includes stock building

## TABLE A15 MONETARY SECTOR RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 2.2 | 2.5 | 3.0 | 3.5 | 4.1 | 4.7 | 5.4 | 6.3 | 6.7 | 7.5 |
| New capital formation* | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 | 0.5 | 0.7 | 0.8 | 0.9 |
| Purchases less sales of land and buildings | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Capital consumption | −0.0 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | −0.2 | −0.2 | −0.2 | −0.3 |
| Sector reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| Other identifiable changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Price and other changes | 0.1 | 0.2 | 0.3 | 0.3 | 0.2 | 0.3 | 0.2 | −0.0 | 0.1 | 0.5 |
| Market value, end of year | 2.5 | 3.0 | 3.5 | 4.1 | 4.7 | 5.4 | 6.3 | 6.7 | 7.5 | 8.6 |

*Includes stock building

## TABLE A16 OTHER FINANCIAL INSTITUTIONS RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 10.3 | 12.5 | 16.4 | 21.2 | 26.9 | 33.8 | 39.8 | 44.3 | 48.3 | 54.4 |
| New capital formation* | 1.0 | 1.1 | 1.7 | 2.5 | 3.2 | 3.3 | 3.9 | 3.8 | 4.9 | 6.2 |
| Purchases less sales of land and buildings | 0.7 | 0.7 | 1.1 | 1.0 | 1.5 | 1.5 | 1.4 | 0.7 | 1.1 | 0.8 |
| Capital consumption | −0.4 | −0.5 | −0.6 | −0.8 | −1.0 | −1.3 | −1.5 | −1.8 | −2.1 | −2.5 |
| Sector reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other identifiable changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Price and other changes | 0.8 | 2.6 | 2.5 | 3.0 | 3.3 | 2.4 | 0.7 | 1.2 | 2.1 | 1.3 |
| Market value, end of year | 12.5 | 16.4 | 21.2 | 26.9 | 33.8 | 39.8 | 44.3 | 48.3 | 54.4 | 60.2 |

*Includes stock building

## TABLE A17 PUBLIC CORPORATIONS RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 60.4 | 70.7 | 80.1 | 90.0 | 106.1 | 126.2 | 132.2 | 137.2 | 145.9 | 131.7 |
| New capital formation* | 5.1 | 4.7 | 4.9 | 5.6 | 7.0 | 6.8 | 7.3 | 8.0 | 6.9 | 6.0 |
| Purchases less sales of land and buildings | −0.0 | 0.0 | 0.0 | 0.0 | −0.2 | −0.0 | −0.1 | −0.1 | −0.3 | −0.4 |
| Capital consumption | −3.3 | −3.8 | −4.3 | −5.0 | −6.0 | −6.7 | −6.9 | −7.2 | −7.5 | −6.2 |
| Sector reclassifications | 0.0 | 0.0 | 0.9 | −0.1 | 0.0 | −3.3 | −0.2 | −0.4 | −18.8 | −0.8 |
| Other identifiable changes | −0.2 | −0.2 | −0.2 | −0.2 | 0.1 | 0.1 | 0.1 | −0.0 | 0.4 | 0.1 |
| Price and other changes | 8.8 | 8.7 | 8.6 | 15.8 | 19.1 | 9.1 | 4.7 | 8.5 | 5.1 | 5.7 |
| Market value, end of year | 70.7 | 80.1 | 90.0 | 106.1 | 126.2 | 132.2 | 137.2 | 145.9 | 131.7 | 136.2 |

*Includes stock building

## TABLE A18 LOCAL AUTHORITIES RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 46.2 | 51.8 | 58.2 | 69.8 | 88.1 | 104.0 | 109.6 | 115.1 | 123.7 | 134.8 |
| New capital formation* | 3.6 | 3.4 | 3.5 | 3.8 | 4.4 | 3.8 | 4.2 | 4.9 | 5.3 | 5.1 |
| Purchases less sales of land and buildings | 0.4 | 0.2 | −0.1 | −0.3 | −0.6 | −1.1 | −2.2 | −1.7 | −1.5 | −1.7 |
| Capital consumption | −1.3 | −1.4 | −1.6 | −1.9 | −2.4 | −2.7 | −2.7 | −2.8 | −2.9 | −3.1 |
| Sector reclassifications | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Other identifiable changes | −1.2 | −1.1 | −1.1 | −1.1 | −1.0 | −0.7 | −0.4 | −0.9 | −1.0 | −1.0 |
| Price and other changes | 4.1 | 5.4 | 10.7 | 17.6 | 15.6 | 6.3 | 6.5 | 9.1 | 11.2 | 14.7 |
| Market value, end of year | 51.8 | 58.2 | 69.8 | 88.1 | 104.0 | 109.6 | 115.1 | 123.7 | 134.8 | 148.8 |

*Includes stock building

## TABLE A19 CENTRAL GOVERNMENT RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 19.4 | 21.7 | 24.7 | 29.3 | 37.1 | 45.5 | 48.8 | 50.9 | 53.9 | 56.9 |
| New capital formation* | 1.4 | 1.3 | 1.3 | 1.5 | 1.9 | 1.8 | 2.3 | 2.8 | 2.7 | 3.7 |
| Purchases less sales of land and buildings | 0.1 | 0.0 | −0.0 | 0.0 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 | −0.1 |
| Capital consumption | −0.4 | −0.4 | −0.5 | −0.6 | −0.7 | −0.8 | −0.8 | −0.9 | −0.9 | −1.0 |
| Sector reclassifications | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other identifiable changes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Price and other changes | 1.3 | 2.1 | 3.7 | 6.9 | 7.3 | 2.3 | 0.7 | 1.2 | 1.3 | 3.0 |
| Market value, end of year | 21.7 | 24.7 | 29.3 | 37.1 | 45.5 | 48.8 | 50.9 | 53.9 | 56.9 | 62.6 |

*Includes stock building

## TABLE A20 NATIONAL RECONCILIATION ACCOUNT: TANGIBLE ASSETS

£bn

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|---|---|---|---|---|---|---|---|---|---|
| Market value, start of year | 415.8 | 477.5 | 554.8 | 673.0 | 844.3 | 961.8 | 1025.2 | 1097.6 | 1212.6 | 1319.4 |
| New capital formation* | 24.7 | 28.0 | 31.8 | 37.6 | 37.3 | 36.9 | 41.1 | 46.7 | 52.3 | 57.5 |
| Transfer costs | 0.7 | 0.8 | 1.1 | 1.5 | 1.7 | 2.0 | 2.3 | 2.7 | 2.9 | 3.1 |
| Capital consumption | −14.0 | −16.5 | −19.4 | −23.1 | −28.2 | −31.8 | −33.8 | −36.1 | −38.6 | −41.8 |
| Sector reclassifications | 0.0 | 0.0 | −0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | −0.0 | 0.0 |
| Other identifiable changes | −0.9 | −0.6 | −0.5 | −0.5 | 0.3 | 1.0 | 0.5 | −0.3 | −0.4 | −0.5 |
| Price and other changes | 51.2 | 65.6 | 105.3 | 155.8 | 106.4 | 55.4 | 62.4 | 101.9 | 90.6 | 106.8 |
| Market value, end of year | 477.5 | 554.8 | 673.0 | 844.3 | 961.8 | 1025.2 | 1097.6 | 1212.6 | 1319.4 | 1444.5 |

*Includes stock building

# APPENDIX

## NATIONAL AND SECTOR BALANCE SHEETS
## Sources and Methods

### SCOPE OF BALANCE SHEETS

A national balance sheet is a statement of the stock of tangible, intangible and financial assets of a nation and its financial liabilities. The net total of these assets and liabilities is described as the national wealth. Sector balance sheets are a more detailed analysis of the national balance sheet in which the tangible and intangible assets are apportioned to each of the domestic sectors and each sector's financial assets and liabilities are recorded. The net balance for each sector, calculated as the sum of its tangible and other assets less its financial liabilities represents the 'net worth' or 'wealth' of the sector. The financial assets and liabilities of the domestic sectors offset each other except to the extent that the nation has net claims on overseas residents (or net liabilities).

The scope of the balance sheets presented here follows as far as possible the international guidelines on balance sheets.[1] These guidelines subdivide tangible assets into reproducible goods and non reproducible goods. The tangible reproducible durable goods are the ones which appear routinely in the flow accounts as gross capital formation: buildings, plant and machinery, vehicles including ships and aircraft. There is no question that these should be included in balance sheets. However there are two exclusions which are military durable goods and consumer durables in line with the conventional exclusion of these durable goods from gross capital fomation in the United Nations System of National Accounts[2] and their exclusion from the UK income and expenditure accounts. Nevertheless a valuation of consumer durable goods appears as a footnote to the personal sector balance sheet since these represent a significant component of consumers' standard of living.

Tangible non reproducible goods such as land, woodlands, subsoil deposits etc appear in the UK other accounts, in line with the United Nations System of National Accounts[2] only when they are bought and sold. Such non reproducible goods can usually be valued though where there are few transactions or none this may not be straigthforward. Thus value of land is included in the balance sheets presented here indivisably with the building situated on it since land and buildings are bought and sold together. Valuations of woodland are also included. The balance sheets do not however include a valuation of subsoil deposits largely because of the difficulties of valuation. Any valuation would be very uncertain because estimates of the size of the United Kingdom's exploitable oil reserves, for example, are continually revised as knowledge about North Sea deposits increases. Nevertheless figures of the UK's coal, oil and gas reserves are included in a supplementary table.

No valuation of historic monuments has been attempted though historic buildings have been valued on the basis of their existing use. Works of art are not included in the balance sheets though a market valuation must be possible. Antiques are also excluded.

Amongst intangible assets the inclusion of financial assets and liabilities cause no difficulties since estimates are published annually. Intangible non financial assets are however more difficult. The United Nations System of National Accounts[2] proposes that a heading 'intangible non financial assets' should record transactions in intangible non financial assets such as patents, copyrights, trademarks and leases in land and buildings. However the UK flow accounts do not record transactions in patents, copyrights or trademarks due to lack of information and for the same reason the UK balance sheets presented here also exclude them. The UK flow accounts do however record transactions in leases, where these have a marketable value, though as a tangible asset indistinguishably with other transactions in land and buildings. This reflects the way the statistics are collected and it is consistent with this that the value of marketable leases also appears in the balance sheets presented here as part of the valuations of land and buildings. Whilst leases offer leaseholders rights of occupancy for fixed terms which are marketable, rights of occupancy on a weekly or monthly basis also exist and though these are not marketable they often have considerable value. Rough valuations of these rights are included in the balance sheets as intangible non financial assets.

Intangible non financial assets might be taken also to include, for example, the climate and human capital. Human capital including the store of knowledge and skills should arguably be included in a statement of the nation's wealth. It is not included in line with international recommendations not only because of the difficulties of valuation but also to ensure consistency with the treatment of education and training as current expenditure in the flow accounts.

### VALUATION ISSUES

Several aspects need to be considered in deciding how to value tangible assets in national and sector balance sheets. First it is essential values should be meaningful in terms of the uses to which balance sheet statistics will be put, that is the study of wealth and resources and their contribution to economic behaviour of transactors in the economy. This suggests that the values which determine the behaviour of buyers, sellers and holders of tangible assets are most relevant. However it is also essential that the method of valuation should be practicable and, in particular, that values should be measurable and collectable. As far as possible the same method of valuation should be adopted for the same types of asset irrespective of ownership.

From a theoretical viewpoint market values are ideal since it is these values which determine behaviour, at least across the largest part of the UK economy. Market value is usually accepted as the value arrived at in an arms length transaction between a willing buyer and a willing seller. Values established in markets for assets that are traded in the normal course of events are therefore useful whilst on the other hand market values where assets are traded rarely and then generally in the exceptional circumstances of liquidation are not helpful. Thus the housing and most other real estate markets are useful for determining balance sheet values and so, also, are the markets for second hand road vehicles. However sale prices for second hand industrial plant and equipment are not generally relevant. These guidelines follow closely the United Nations ones[1].

In the estimates of national and sector balance sheets presented in this article market valuations have been made for all residential, agricultural, commercial and industrial land and buildings. For these types of buildings the real estate market provides the information necessary. Market valuations have also been made for road vehicles, ships and aircraft. However market valuations were not feasible for plant and machinery or buildings such as schools and hospitals, and civil engineering works such as gas mains, coal mines and roads. In these cases the United Nations recommends various options. These are depreciated current replacement costs; calculating the present value of future returns from the asset; and capitalisation of expected income from the asset using capitalisation factors derived from information about related markets. Where market values are not available reliance has mainly been placed on estimates of depreciated current replacement costs, in some cases calculated using the perpetual inventory method and, in other cases, based on capitalisation of rateable values set down in rating lists.

An advantage of market values in the case of real estate is that these values cover both the land and the buildings situated on the land whereas perpetual inventory method estimates could cover only the buildings themselves leaving an assessment still to be made of site values. Nevertheless estimates of site value would still have to be made if land and buildings were to be shown separately in balance sheets as proposed in the UN recommendations. Such a division has not been tackled on this occasion though a certain amount of information on site values has been collated so that a rough check can be made on how market valuations of buildings, excluding the site value component, compare with perpetual inventory method estimates.

*Tenanted land and buildings.* These buildings present special valuation issues, because both landlords and tenants have an interest in the buildings. Tenancy arrangements are very variable but some broad categories may be identified. First, long leases are common in the case of commercial and industrial buildings. Secondly, the tenants of rented dwellings in the public and private sector rent their homes week by week but enjoy security of tenure under the Housing Rent Acts. Thirdly, tenant farmers have security of tenure under the Agricultural Acts. Each of these cases is discussed below.

The ownership arrangements relating to commercial and industrial buildings may sometimes be quite complex. For example the freehold of a building might be owned by a property company who sold a 99 year lease to an insurance company who in turn let the bottom floor to a gas board on a 10 year lease and the top floor to a firm of solicitors on a 21 year lease. The solicitor could then have sublet surplus space to a charity. Interest in the building could thus be subdivided between several sectors of the economy. In most cases however the division of ownership and use will be much more straightforward. Typically a building may be occupied by a single tenant on a long term lease at a rent fixed some years previously at a level below current market rates. The value of the building to the landlord in these circumstances will be substantially lower than if he had vacant possession reflecting the fact that until the tenant's lease terminates the owner has the right only to receive the fixed rent. The other side of the coin is that the tenant's right to use the building at the fixed rent until termination of the lease has value too. This right is marketable since under the terms of most commercial leases the tenant could sublet the building at current market values pocketing the difference between this and the rent under the terms of his lease. Since the landlord's and the tenant's interests are marketable they can easily be represented in the balance sheets, provided relevant data are available on the market values of these interests. Fortunately the relevant data are available. Financial institutions give, in their balance sheet returns, information on the value of their interests in property whether ownership of the freehold interest, a head lease or a sublease. Current cost accounts data for monetary sector institutions and public corporations are also on the same basis. So also are capital transfer tax based estimates of households' interest in land and buildings other than dwellings. Local authority buildings are mainly owner occupied. For central government buildings PSA have undertaken valuations of their freehold and leasehold interests in government offices. In these cases landlords' and tenants' interests are shown as tangible assets of the landlords' and tenants' sectors.

The open market values of dwellings with sitting tenants are well below the values of similar dwellings with vacant possession. This reflects the sitting tenants' rights to occupation at a 'fair rent' under the Rents Acts. The value of landlords' interests in these circumstances may be observed from auction sales for which the results are published weekly in the Estates Gazette, including information on gross rents and sale prices. One method of valuation of the rented dwelling stock would be the capitalisation of estimated gross rents using this information. However the Valuation Office advised that landlords values were better estimated as a fraction of vacant possession values and this is the approach used. In the case of local authority dwellings there is the additional complication that tenants have the right to buy at 30 to 67 per cent of vacant possession values. However the majority of tenants do not exercise this right so that it seems fair to value local authorities' interest in their dwellings using the ratio of market values to vacant possession values observed in sales of privately rented dwellings.

Valuation of tenants' interests is more difficult. A tenant's interest, which is his right to rent a house as long as he wishes at a fair rent, is not generally marketable. He cannot sell his rights. His rights certainly have value nevertheless and this is demonstrated by sales of private rented dwellings to tenants at favourable prices: favourable to the tenant compared with the value of the dwelling with vacant possession and favourable to the landlord compared with the price he could get at an auction sale. It is considered that these rights should not however appear as tangible assets of the personal sector balance sheet because they are not marketable and do not represent wealth which tenants can realise or use to produce goods. Also this is consistent with the fact that the flow accounts do not impute an income and rent in relation to this non-marketable interest in the same way as the current imputations for owner occupied dwellings. It was decided instead that these tenants' rights should be shown as intangible non financial assets of the personal sector and their values have been calculated as vacant possession values less the landlords' interest.

The same principles are followed in the case of agricultural tenancies. Landlords' values are estimated by reference to sale values of tenanted farms and tenants' values calculated as vacant possession values less the landlords' values. Again the tenants' values are treated as an intangible non financial asset.

## VALUATION METHODS

### The Rating Statistics

A major source of valuations is the capitalisation of rateable values in the rating lists. This is the method of valuation of residential, commercial, industrial and other buildings. The major exceptions are the operational properties of public corporations and buildings and works which are not rated eg agricultural buildings, roads etc. Also properties occupied for the Crown are not rated though a contribution in lieu of rates is paid. Aside from these exceptions

the rating statistics give a complete though outdated statement of economic values of the nation's buildings. A major task was to turn this statement of values in terms of 1973 rents into capital values for each of the years 1975 through to 1985.

Rate charges on non-industrial properties are derived from the Valuation Office's assessment of their annual value which is the rent which it is estimated that a property might be reasonably expected to let from year to year, on the assumption that the landlord undertakes to pay the cost of repairs and insurance and the other expenses necessary to maintain the property in a state to command the rent and the tenant undertakes to pay the usual tenant's rates and taxes. The 'gross value' so established is then reduced by a standardised amount to represent the cost of repairs and insurance to arrive at a net annual value described as the 'rateable value'. Local authorities apply a rate poundage to this 'rateable value' to determine the rates to be paid. Industrial properties are assessed on the assumption that the responsibility for repairs lies with the tenant so that for these properties gross values and rateable values are the same.

Rateable values in England and Wales are currently based on 1 April 1973 values since which date no general revaluation has taken place. New buildings erected since this date have been valued as if they existed on 1 April 1973. However Scotland has seen two revaluations over the last ten years, first on 1 April 1978 based on values at 1 July 1976 and the second on 1 April 1985 based on values at 1 July 1983. All non domestic rateable values in Scotland are now set at net annual values, with the assumption that tenants pay the repair costs, except in the case of industrial subjects where partial derating gives these subjects rateable values set at 60 per cent of net annual values. Rateable values in Northern Ireland were set in April 1976 and industrial properties are completely derated.

To turn rateable values into capital values various approaches were adopted. For dwellings the Building Societies Association and Department of Environment 5% sample of building society mortgages gives figures of rateable value and sale prices for about 20,000 dwellings a year. For commercial and industrial buildings a special survey was conducted in which Valuation Office valuers valued 2,600 buildings throughout England and Wales in order that ratios of rateable values, current rental values and capital values could be established. For other buildings such as schools and museums for which no market information exists gross values in the rating lists were derived from capital valuations and so it was appropriate to reverse this process and update the capital valuations in line with changes in building costs. A fuller description of the way in which rateable values were converted into capital values appears later.

**Current cost accounts**

The annual accounts of business enterprises are at first sight a useful source of information on the value of businesses' tangible assets since all business enterprises are required to compile annual accounts, including a balance sheet, for tax purposes. Incorporated businesses must send copies of their accounts to the Companies Registrar and statutorycorporations are required to publish their accounts.

Traditionally business accounts have been compiled using the historic cost convention, that is all the costs incurred by a business including the cost of its fixed assets are recorded at their original cost of purchase. There is no recognition of the impact of changing prices with the result that balance sheet estimates of the value of business assets at historic costs do not reflect their current value and are not useful for national and sector balance sheets. However the Institute of Chartered Accountants Statement of Standard Accounting Practice No 16 (SSAP16) introduced current cost accounts to supplement the historic cost accounts and with the aim that these accounts should give a more realistic statement of the value of business assets and the value of the assets consumed. SSAP16 requires that land and buildings and plant and machinery should as far as practicable be shown in current cost balance sheets at their value to the business. In the case of land and buildings this usually means open market value. For specialised buildings where no market value is readily available and for plant and machinery current cost balance sheets are usually based on depreciated current replacement costs. The values appearing in current cost balance sheets are therefore potentially useful in the construction of balance sheets.

However current cost accounting has never been fully accepted by businesses and compliance with SSAP 16 is no longer mandatory. Although few major companies now compile current cost accounts most did during 1981-85 so that these accounts offered the option of a valuation of companies assets at current values during this period. However this would have required the analysis of a large sample of companies accounts which resources did not permit. Also companies' accounts have the inherent difficulty, whether compiled on historic costs or current costs, that they include domestic and overseas assets indistinguishably and also that subsidiaries are consolidated. Moreoever, accountants estimates of asset lives are usually cautious so that their estimates of the depreciated replacement costs of plant and machinery may be lower than estimates based on machinery's expected economically useful life. Current cost balance sheet data have however been used in the balance sheets where these drawbacks are not severe, in particular the valuation of the land and buildings of public corporations which in the main undertake direct estimates of the current replacement costs of their specialised assets.

**The Perpetual Inventory Method**

Estimates of the value of the nation's capital stock using the perpetual inventory method have appeared in CSO Blue Book for twenty years. This well established method relies on the accumulation of annual estimates of fixed investment revalued to a common price level. In brief, the perpetual inventory method of calculation is as follows. Estimates or assumptions are made about the average length of life of each class of asset separately distinguished. Fixed capital formation is then estimated for each class of asset for L years prior to Y, where L is the average life of the class of asset in question and Y is the year for which fixed stock and capital consumption estimates are to be made. Price indices are applied to the fixed capital formation estimates to convert them to constant prices. The estimates at constant prices are then aggregated for L years to obtain the estimate of the gross capital stock. Division of the gross capital stock by L gives the estimates of capital consumption at constant prices. The price indices are then used to convert to whatever price basis is required; for example current prices in year Y for capital consumption. The estimates of net capital stock (gross capital stock less accrued capital consumption) are also first calculated at constant prices and then converted to current prices. A full description of the perpetual inventory method appears in T Griffin's article in Economic Trends, October 1975 and an article by the same author on how to make the best use of the statistics appeared in Economic Trends, October 1976.

Direct measurements of the value of assets have been favoured in the balance sheets wherever possible but in certain cases this is impossible, for example plant and machinery, and so perpetual inventory estimates have been used. A major advantage of the perpetual inventory estimates is that their method of construction automatically reconciles flow and balances though this means that there is no potential for improvement of the statistics through reconciliation of independent estimates of flow and balances. In the case of dwellings, other buildings and works perpetual inventory estimates exclude the value of land which should be included in the balance sheets.

### The estate multiplier method

Assessments of the value of household wealth are made by the Inland Revenue using the 'estate multiplier method'. This method uses capital transfer tax statistics and regards people dying in a year as a sample of the total population. To take account of wide variations in mortality rates the sample is stratified by age, sex and marital status and the total value of estates in each stratum raised by the reciprocal of the mortality rate of its population. A rough adjustment is made to take into account different rates of mortality by social class. The main drawback to this approach is the incompleteness of wealth estimates so produced. In particular there are delays in the receipt of information about the composition of estates and there are differences in the valuation of assets or wealth which must be corrected, as far as possible, to yield estimates of marketable wealth suitable for balance sheets. Adjustments must also be made for assets not reported because the estates concerned do not require probate due to their small size, for assets in diserctionary trusts and assets held in the form of joint property. On this basis Inland Revenue publish estimates once a year of the total marketable wealth of households analysed by type of asset.

For residential and agricultural real estate it is considered that valuations based on the national stocks of residential and agricultural properties and apportionments of these valuations to the household sector are superior to the Inland Revenue estimates of household wealth which are very dependent on very broad brush estimates of the wealth not seen by the Capital Taxes Offices. For other types of real estate however, for example, commercial and industrial buildings, it is very difficult to make an estimate of the value of the household sector's share of national values and the Inland Revenue estimates of household wealth have been taken notwithstanding the deficiencies. These wealth estimates cover mainly the ownership of non residential buildings by unincorporated businesses.

## VALUATIONS ASSET BY ASSET

This section describes the detailed valuation of each category of tangible asset appearing in the balance sheets including the apportionment of national values between the seven sectors of the economy. First however the reader may find it helpful to have a brief description of these sectors. Brief definitions of each sector are as follows:

Persons. Individuals resident in the United Kingdom, sole traders and partnerships in unincorporated businesses, private trusts, charities and other private non profit making bodies serving persons like universities, churches, many private schools, clubs, societies, trade unions etc.

Industrial and commercial companies. All bodies incorporated under the Companies Act which are not banks or other financial institutions.

Monetary sector. All banks under the terms of the Banking Act 1979.

Other financial institutions. Financial intermediaries which are insurance companies, pension funds, credit companies, building societies, investment trusts, property and other unit trusts.

Public corporations. Publicly owned or controlled enterprises which have a substantial degree of independence of the public authority which created them.

Local authorities. Bodies making returns under the Local Government Acts.

Central government. Government departments and associated bodies that are financially accountable to Parliament.

A fuller description of the seven sectors may be found in 'UK National Accounts: Sources and Methods'.

### Residential buildings

A rough valuation of the national stock of dwellings could be made using estimates of the number of dwellings and average prices of dwellings mortgaged with building societies. Greater accuracy would be achieved using information from the Census of Population about the distribution of dwellings by region, size (numbers of rooms) and type (terraced, semi-detached etc) and combining this with average prices obtained from building societies. An extensive stratification of the dwelling stock would nevertheless still leave a very wide distribution of prices within each stratum because there is such a wide range of characteristics which can determine the value of a dwelling, for example its age and its exact location. Similar houses a couple of miles apart may command very different prices.

The rating statistics offer a better starting point for a valuation of the housing stock. In the first place valuers have determined a rateable value on all domestic hereditaments which will take into account all the factors which they consider relevant to the hypothetical rent it would command on the open market. This will include age, exact location, size and number of rooms, type of dwelling, central heating. Also, the Department of Environment's 5 per cent sample survey of building society mortgages, which collects a wide variety on information on dwellings mortgaged with building societies, offers the opportunity to test the strength of the correlation between rateable and capital values. An analysis of 20,000 dwellings mortgaged in the second half of 1983 and the first half of 1984 showed a strong and stable correlation between rateable values and capital values in each country and region of Great Britain. It was decided therefore to follow Revell and Moyle's use of the rating statistics to estimate capital values.

It was also decided that in view of the wide regional variation in levels of house prices and rates of increases the valuations should be carried out on a regional basis using the standard statistical regions. It was fortunate that statistics of rateable values, house prices and house price changes are all compiled with regional aggregates.

Separate valuations were carried out for each type of housing tenure because each present special valuation difficulties. It was necessary therefore as a first step to subdivide aggregate rateable values for domestic hereditaments into aggregate values for the different tenures. Aggregated rateable values for local authorities and new towns were based on DOE statistics of the stock of dwellings, new town development corporation reports and estimates of average rateable values for local authority dwellings based on information collected by the Chartered Institute of Public Finance (CIPFA) and published in 'Rate Collection Statistics'. Aggregated rateable values for the privately rented stock relied on DOE stock estimates and average rateable values estimated from the National Dwelling and Housing Survey, 1977 and the Labour Force Survey. Exceptionally the aggregate rateable value of crown dwellings are shown separately. Aggregate rateable values of owner occupied dwellings were calculated as a residual.

Valuation of the owner occupied dwellings, about 62 per cent of the dwelling stock in 1985, was straightforward. Estimates of the ratio of capital values to rateable values were obtained from analyses of the DOE's 5% sample survey of building society mortgages for six rateable value bands and these ratios then weighted to give an average ratio for all properties. A small adjustment was included to allow that building societies do not always lend on the lowest value properties when their condition is rundown. Aggregate capital values were then obtained as the product of aggregate rateable values and the ratios of capital values to rateable values in each region. Finally an adjustment was made for the reduction in the value to their owners of dwellings purchased from local authorities requiring the repayment of discounts if the dwellings are sold within 5 years.

For rented dwellings information on capital values is scarcer. In the case of privately rented dwellings auction results are published in the Estates Gazette and this gives evidence of the ratio of capital values to current rents which, though patchy, could be used. However the Valuation Office advised that capital values today were better assessed as a fraction of the value of the dwellings with vacant possession than as a multiple of rents. A valuation at vacant possession values was therefore carried out using ratios of capital values to rateable values established for owner occupied dwellings but reduced to reflect the poorer state of repair of rented dwellings than owner occupied ones, using information from the English House Conditions Survey 1981. The value of privately rented dwellings to their landlords is however much lower because their tenants have security of tenure. Estimates made by local Valuation Offices across the country indicated that the market value of landlords interests recently averaged about two fifths of vacant possession values in 1980 rising to about half five years later. In both years there were substantial regional variations. The balance sheet estimates reflect these market values of landlords interests.

Local authority dwellings were valued using valuations made during 1983/84 in connection with sales under council tenants rights to buy. Some rough adjustments to these right to buy valuations, which were made at market values with vacant possession, were necessary to take into account the likelihood that dwellings sold under the right to buy were not typical of the total local authority housing stock including high rise flats and estates where houses are difficult to let. Valuations for other years were made assuming the same rate of change in local authority housing values as owner-occupied properties based on DOE's mix adjusted index of average house prices. Finally local authority landlords' interests in their dwelling stock was assumed taken to be the same fraction of vacant possession values as private landlords interests.

Dwellings under construction are not included here but in stocks and work in progress. Land with planning permission for residential development is however included though only a rough valuation is possible since information on housebuilders land banks is scanty. Values are based on DOE's estimates of the average value of housing land with planning permission.

Sectorization. Owner occupied dwellings are attributed to the personal sector and so also are housing association dwellings since housing associations are private non profit making bodies serving persons which are a subsector of the personal sector. A small proportion of the value of privately rented dwellings was assigned to industrial and commercial companies, mainly either property companies or companies letting dwellings to employees. Other private rented dwellings were taken to be owned directly by persons. Local authority dwellings are attributed to the local authority sector and crown dwellings to central government. New town development corporations dwellings are assigned to the public corporations sector along with the dwellings owned by the Scottish Special Housing Association and the Northern Ireland Housing Executive. The bulk of the value of land with planning permission for housing was attributed to industrial and commercial companies.

Tenants' rights. Rented dwellings appear in the balance sheets at their value to their landlords, recently about one half of the value of the dwellings concerned with vacant possession. As discussed in the section on 'Valuation' the tenants' rights of occupation are not included in the balance sheet because they are not marketable and their value is uncertain. However a footnote to the personal sector balance sheet gives their value as the difference between the vacant possession value of tenanted dwellings and their open market value with sitting tenants.

**Agricultural land and buildings**

This heading covers agricultural land and buildings and forest plantations. Its biggest component is the agricultural land and buildings which are valued by the Ministry of Agriculture Fisheries and Food as part of a national balance sheet for UK agriculture. [3] It is these estimates, with some minor modifications, which have been used in the estimates of national and sectoral wealth contained in this article.

MAFF estimates of the value of land and buildings are based on the areas of land returned in the agricultural censuses and average land prices obtained from Inland Revenue analyses of 'particulars delivered' by purchasers' solicitors when land is sold. The rating statistics do not help here because agricultural land and buildings (apart from dwelling houses) are exempt from rates. In particular, MAFF's balance sheet estimates use a weighted average land value calculated by taking into account price variations across regions, farm-size and tenure. The resulting estimates of value include the buildings on the land; MAFF make adjustments to exclude the value of residential dwellings apart form a small proportion attributed to business use. The estimates of the value of agricultural land and buildings here differ from MAFF's only because of the exclusion of the value of the business use of dwellings which is instead attributed to residential buildings.

About two-fifths of agricultural land is tenanted and the tenant farmers have the right to farm their land as long as they wish and, where the tenancy commenced before 1984, to pass this privilege on to an eligible and suitable successor, usually a son. Consequently sales of tenanted agricultural land fetch much less than sales of land with vacant possession, currently about three-fifths of vacant possession values. MAFF's method values tenanted

land at its value to the landlord with sitting tenants and this is appropriate for our purposes as far as the landlord's interest is concerned. The value of the tenant's tenancy rights, which is calculated as the difference between value to attributable to landlords and vacant possession values, is recorded in the balance sheets as a intangible non financial asset of the tenant's sector.

Estimates of the value of forests have been provided by the Forestry Commission. For their own forests these valuations are the ones in their annual reports which are calculated on an expectation basis by discounting estimated future receipts and expenditure in terms of current prices and a discount rate of 3 per cent. The Forestry Commission believes these valuations to approximate to market values. The Forestry Commission's estimates of values of private woodlands are based on the relationship between formation costs and final crop value and information on the age distribution of private woodlands.

Sectorization. Information on the structure of ownership of agricultural land is scarce though it is known that the bulk is owned by persons. Some agricultural land is owned by companies and the Northfield Report [4] estimated that around 8.5 per cent of agricultural land was owned by public and semi public bodies such as central government departments, local authorities, public corporations, religious institutions and higher education establishments. Rough estimates of the public sector's ownership of agricultural land are based on this report which also gives an estimate of financial institutions' holdings. Forestry Commission forests are part of central government and private sector forests are allocated mainly to persons with residual amounts to companies and financial institutions.

### Commercial, industrial and other buildings

This heading covers all buildings other than agricultural and residential buildings. A very wide variety of buildings representing about one-fifth of the nation's tangible wealth are included ranging from shops, offices, hotels and garages to factories to schools, museums and churches. Civil engineering works are not included. The principal source of information on the stock of buildings is the rating statistics though these statistics do not extend to churches which are exempt from rates. These statistics are subdivided into six major categories: commercial hereditaments, industrial hereditaments, other undertakings, entertainment and recreational hereditaments, education and cultural hereditaments and miscellaneous hereditaments. A description of the various valuation methods used for these different categories appears in the next paragraphs.

*Commercial and Industrial Hereditaments.* Information on the value of these hereditaments is scarcer than information on dwellings since changes of ownership are much less frequent. However changes of occupier are common and market information on rental values is plentiful which is very useful since capital values are largely determined by rental values. For Pettigrew's estimates of national and sector balance sheets 1966 to 1975 the Valuation Office examined about 150 industrial and commercial property transactions which took place in 1976 to establish approximate ratios of capital values to rateable values at that time. On this occasion the Valuation Office undertook a much more substantial exercise in which their valuers valued 1600 commercial and 800 industrial buildings throughout England and Wales. Commercial buildings were sampled in 65 local authority areas and industrial buildings in 35 local authority areas. In the case of commercial buildings the sampling was structured to ensure that it reflected the mix of buildings (shops, offices, warehouses etc) in each region. For each building in the sample District Valuers were asked to record its 1973 rateable value and the following information at 31 December 1985: gross rental value, capital value and site value. Using these data the following estimates of the ratio of capital values to rateable values at 31 December 1985 were obtained:

| | |
|---|---|
| Shops with dwelling accommodation | 80 |
| Shops without dwelling accommodation | 82 |
| Offices | 66 |
| Public houses | 122 |
| Hotels | 143 |
| Warehouses | 52 |
| Commercial garages | 66 |
| Lock up garages | 100 |
| Factories and mills | 32 |

A more detailed account of the valuation of the 800 industrial hereditaments appeared in the Valuation Office Property Market Report No 46 [5] including some regional assessments. A detailed account of the valuations of commercial properties appeared in the Valuation Office Property Market Report No 47. [6]

Valuations for the years between 1975 and 1985 depended on apportionment of the increase in the ratio of capital values to rateable values between years. Price indices offer the best way to do this and the most comprehensive indices available for the task were the ones compiled by Investment Property Databank (IPD) and published in their Annual Review. [7] These indices which cover shops offices and industrial properties are based on analyses of successive annual valuations for 4000 properties valued at more than £6 billion at the end of 1985. Unfortunately the IPD's properties are all institutionally owned and their representation of the totality of commercial and industrial properties can be questioned. However there is no better data source and it was possible to correct for the over representation of properties in London and the South East in IPD's databank of properties.

The IPD indices gave estimates of the increase in the value of buildings between 1975 and 1985 which were well below the increase over the same period in the estimates of the ratio of capital values to rateable values. There are at least two explanations. The first is the outdatedness of the rating list based on 1973 values which will have led to a distortion of relative values within the list. This is best explained by reference to a hypothetical example. Suppose a new office block was erected in 1973 to the best standards at that time enabling it to fetch a rent of £2 per square foot which determined its rateable value. Since then many new offices will have been built with successively better and more appealing facilities such as air conditioning which the Valuation Office will have recognised in slightly higher valuations - say £2.20 per square foot - but not much higher because they are constrained to consider values at 1 April 1973 and would be open to challenge that higher valuations would be unrealistic when maximum rents paid in 1973 were around £2 per square foot. By today new offices in the same town may be able to realise rents of £10 per square foot whilst dowdy 1973 blocks fetch only £7 per square foot. Yet the new office blocks will have a rateable value based on £2.20 per square foot and old one still a rateable value based on £2 per square foot. This change in relativities results in a much faster rise in the ratio of rental values to rateable values (and thus also capital values to rateable values) than the price increase which would be observed on a fixed set of buildings. Also it may mean that the rateable value statistics, though apparently at 1973 constant values, understate the increase in the volume of offices, shops etc because they put

insufficient emphasis on the quality improvements in buildings entering the stock for the first time in recent years or re-entering it following refurbishment.

Another explanation is the nature of the IPD indices. First, the IPD indicies are chain linked base weighted indices calculated, over each sucessive year, on the increase in value of fixed sets of buildings between the start and end of the year. Increases in value due to improvements are rightly excluded. IPD are thus very careful to compare like with like except that, of course, a set of buildings which is n years old at the beginning of the year will be n+1 years old at the end of the year. IPD's price increase will therefore be reduced by the increment of depreciation that took place during the year. The College of Estate Managements report on Depreciation of Commercial Property [8] suggests this incremental depreciation could be substantial: they suggest for example that twenty year old office blocks may be worth only one third of the value of similar brand new buildings. This includes site values which, if excluded, would reduce the value of some twenty year old office blocks to close to zero. Hence IPD's indices, though they may be constructed in the most suitable manner for the monitoring of property portfolio values, understate true price increases.

Since the rating statistics may understate volume changes and IPD's price indices almost certainly understate price changes it is necessary to make some arbitrary adjustments. It seems likely that these understatements will have been bigger in recent years than earlier years because the rating list values have become steadily more outdated and because market commentators suggest that the impact of incremental depreciation on commercial property has been faster between 1980 and 1985 than between 1975 and 1980 because in the later period technological changes have changed tenant's requirements faster and the impact of depreciation on values is likely to be greater when the property market is weak.

It should be noted that in the case of factories and mills an adjustment was made because some items of industrial plant and machinery are rated and their value is included in the perpetual inventory estimates of the value of plant and machinery. Rated industrial plant is mainly to be found in the mineral oil refining and steel industries. Rough estimates of the rateable value of this plant were made and also, using information collected from Valuation Offices, of the value of rated plant in other industries. This enabled the value of rated plant and equipment to be removed from estimates of the value of industrial buildings. It was estimated that rated plant represented a declining proportion of the value of factories, around one-tenth by 1985.

*Other undertakings.* The rating statistics include against this heading the operational properties of public utilities like gas, electricity and water. Also included are the operational properties of the coal industry and docks and harbour boards. All these undertakings have the common feature that their rateable values are not determined in the normal manner but by a variety of formulae usually related to their output. Capital value cannot be established therefore from rateable values and the buildings within this category, which are few since the undertaking assets are mainly civil engineering works, are valued using information from current cost accounts. The buildings covered in this way are mainly Post Offices and telephone exchanges.

*Other buildings.* These buildings include various entertainment and recreational hereditaments like social clubs, sports clubs etc; schools, universities and museums; and miscellaneous buildings such as hospitals, clinics, town halls, government offices and police and fire stations. Valuations may be made by reference to market evidence, in some cases, for example town halls and government offices which may be valued in the same way as other offices. In the case of cinemas, theatres, social clubs etc there is limited evidence of modern rental values and rough capital valuations can be made. For the majority of buildings however, such as schools and hospitals, there is no market evidence that can be used so that recourse had to be made to an alternative approach.

In this connection it is fortunate that the assessment of rateable values for these properties is dependent on estimates of their capital value. In particular their rateable values are determined by the 'contractor's test'. This test considers that the owner of a building to which the test applies would be unwilling to pay more as an annual rent for it than it would cost him in the way of annual interest on the capital sum necessary to build a similar hereditament and bearing in mind also the prospective capital appreciation of the hereditament. Thus the 'contractor's test' involves the ascertainment of an effective capital value of site and buildings and the application of a percentage to arrive at an annual value which then determines the rateable value. As regards the main component of costs, that is the buildings, the rating officer's task is therefore to estimate the current replacement cost at the time of valuation. If the building is reasonably efficient for the purpose for which it is used then the replacement cost probably represents its effective capital value. If however there are disabilities due to age, obscolescence, bad planning etc then the valuer would make an allowance before determining the buildings true effective capital value. The percentages then used to determine annual value are standardised across the country and at the last revaluation ranged from 3 1/2 per cent to 6 per cent for different types of buildings.

For the balance sheets therefore the main task was to reconvert rateable values for these buildings into effective capital values. This involves two steps: first, the conversion of rateable values to annual values by reversing the standard deduction made from annual values to arrive at rateable values; and secondly turning the annual values so obtained into capital values using the inverse of the percentages used to determine annual values at the last rating revaluation. This generates estimates of capital values at the time of revaluation which then need to be updated in line with movements in site costs and building costs. Trends in site costs are almost impossible to estimate due to lack of information and housing land prices were taken as a proxy. Trends in building costs are much better documented and the DOE's output price index for public other new work was used.

*Uncompleted Buildings.* Buildings appear in the rating statistics when they are completed. The balance sheets should also include buildings in the course of construction for which there will be two elements of value, the site value and the value of the partially completed structure. The value of sites with planning permission for commercial development but where construction has not commenced should also be included and these are taken together with value of sites under construction to be worth about two per cent of the value of all buildings. Estimates of the value of building and civil engineering structures in the course of construction were calculated by Department of Environment based on analyses of the length of construction contracts and the value of new orders for these types of work.

*The Personal Sector.* The tangible wealth of the personal sector comprises household wealth and the wealth of private non profit making bodies serving persons. Household wealth in commercial, industrial and other buildings owned mainly in connection with unincorporated businesses (professional persons and other sole traders and partnerships) cannot reliably be estimated by

apportionment of the national value of all these buildings and so the Inland Revenue's estimates based on the estate multiplier method were used though with some modifications.

The wealth of private non profit making bodies serving persons can be estimated only in a very rough order of magnitude. Estimates of the value of land and buildings owned by friendly societies were made from the Reports of the Chief Registrar of Friendly Societies and estimates for trade unions from the Reports of the Certification Officer for Trade Unions. However these bodies represent only a small fraction of the wealth of non profit making bodies which is mainly concentrated in charities. Estimates of the wealth of charities and other non profit making bodies were last made by Moyle and Cowley [9] in relation to 1969 and 1970. In recent years sufficient resources have not been available to repeat Cowley's extensive analysis based on analyses of charities accounts. Broad brush assumptions had to be made therefore about these bodies' ownership of land and buildings which can be subdivided into their investment properties (mainly commercial and industrial properties) and owner occupied properties (eg universities, non profit making schools, social clubs). For investment properties, charities and other non profit making bodies were taken to have held a small and gently declining proportion of the total of commercial and industrial properties. The valuation of owner occupied properties was based on these bodies owning fixed proportions of the following rating categories: sports and recreational grounds, race and golf courses (one half), social clubs, community centres and public halls (one third), residential clubs (one third), libraries, museums and art galleries (one eighth), non local authority schools and colleges (three quarters), universities and university colleges (all), non NHS hospitals, clinics and nursing homes etc (one third), miscellaneous properties (one fifteenth). These proportionate allocations were based on a special survey of 4000 hereditaments in the rating lists for eight local authority areas. A rough valuation was also made of the nation's churches which were valued at a small fraction of fire insurance values. Fire insurance values were also used for church halls since these are not in the main rated.

*Industrial and Commercial Companies.* Current cost accounts usually include the value of land and buildings at open market value though it is not customary to value all the buildings each year. However current cost accounts introduced in 1980 ceased to be mandatory five years later and compliance was never complete. Nevertheless companies are now required by the Companies Act 1985 (Schedule 1 Paragraph 7) to disclose in directors' reports the market value of interests in land and the amount at which these interests are stated in the balance sheet if, in the directors' opinion, the difference is of such significance that the attention of shareholders or debenture holders should be drawn to it.

Resources did not permit the analysis of an extensive sample of companies accounts and in any case they have their limitations. Instead the value of industrial and commercial companies interests in commercial, industrial and other buildings was compiled as residual, that is a national valuation of these buildings less the interest of all the other sectors. Sectoral estimates calculated in this manner are often unreliable but in this case the way in which the rating statistics are collated means that this approach should give reasonable results, since industrial and commercial buildings occupied by non government enterprises are separately shown and the bulk of these must be owned by industrial and commercial companies and financial institutions.

*Monetary Sector.* Estimates of this sector's ownership of land and buildings may be made from banks' current cost accounts since most value their properties at market values. However market valuations are usually carried out at intervals of a few years so that rough adjustments based on market trends need to be made in some cases. Current cost valuations of land and buildings owned by the eight largest retail banks for each of the last six years were supplemented by a special analysis of smaller retail banks for one year and estimates for non retail banks using Bank of England sources. For earlier years where current cost accounts were not available rough estimates were made using a perpetual inventory approach calculated backwards and using indices of retail property prices and Bank of England estimates of fixed investment. As the monetary sector does not have significant interests in agricultural or residential real estate the total value of its ownership of real estate was attributed to 'commercial, industrial and other buildings'.

*Other financial institutions.* Estimates of the total value of these institutions' interests in property, including freeholds, leaseholds and ground rents are obtained from a number of sources. For insurance companies and pension funds the figures come from statistical inquiries into their balance sheets conducted by the Department of Trade and Industry for which results are published in Business Monitor MQ5. A similar inquiry provides estimates for credit companies for which the results are published in Business Monitor SDQ7. Bank of England balance sheet returns provide annual estimates of the value of investment trusts' and property unit trusts' interests in land and buildings. Estimates of the value of building societies' real estate are based on historical cost valuations in the Report of the Chief Registrar of Friendly Societies with a rough revaluation to market values. Specialist financial lessors' ownership of land and buildings is small and estimates are based on the perpetual inventory method. The bulk of other financial institutions' interests in land and buildings is in commercial, industrial and other buildings though a small adjustment is necessary to allow for the value of agricultural land included under that heading in the sector's balance sheet.

*Public corporations.* Estimates of the value of this sector's ownership of buildings are based on the corporations annual reports and accounts. Current cost accounts were used where these were available, otherwise resort was had to historic cost accounts roughly revalued to current replacement costs. The use of public corporations' accounts in the balance sheets is more fully described under 'civil engineering works' below since the bulk of their assets fall into this category. The buildings included here are mainly Post Offices, telephone exchanges and the industrial and commercial properties of the new town development corporations. Also included are the buildings owned by a variety of smaller corporations like the Civil Aviation Authority and HMSO.

*Local authorities.* Local authorities' accounts are largely concerned with showing where money was raised and how it was spent, including information about monies borrowed and accumulated debt, for a multitude of different services. Information on the value of local authorities' real estate holdings is rare. All that is available is figures of the numbers of schools, swimming pools, sports halls and leisure centres, community halls, art galleries etc which are collated in a series of booklets issued annually by the Chartered Institute of Public Finance's Statistical Information Service.

Schools and colleges are the biggest group of local authority buildings apart from the housing stock. Fortunately these are identified separately in the rating statistics making it possible to establish a capital valuation using schools' rateable values which are determined by the 'contractor's test'. Using this test rateable values on schools were set at about one thirty-second of their

estimated effective capital value at the time the rating list was established. The effective capital values established were replacement costs reduced in the case of older schools to reflect their age and obsolescence. Schools' rateable values are also adjusted from time to time to reflect changes in school rolls recognising that the effective value of a school will be reduced if its roll declines. Valuation of schools in the balance sheets therefore is 32 times their rateable values updated in line with building costs since the last rating revaluation.

Town halls and other municipal offices are separately identified in the rating statistics and may be valued at the same multiple of rateable values as commercial offices. Other local authority buildings which may be easily identified in the rating statistics are libraries, cemetries and public wash houses which can be valued, like schools, using the 'contractor's test'. Many other local authority buildings however cannot be identified easily in the rating statistics because they are parts of groups of hereditaments where some hereditaments will be owned by local authorities, others by other economic units. Examples are sports and recreational grounds some of which will be owned by local authorities and others by companies or non profit making bodies; and social clubs, community centres and public halls. The rating category titled 'miscellaneous' hereditaments also contains various local authority buildings such as fire stations, police stations, children's homes, day centres, old people's homes etc. For these cases a perpetual inventory approach was used based on service by service analyses of local authorities fixed investment and rough assumptions about the value of the stock of these buildings fifteen years ago. Valuations obtained for 1985 were then checked against global valuations for each rating category and estimates of the proportions of buildings owned by local authorities within each rating category. These estimates were roughly based on a special study of the rating lists in eight local authority cases to establish as complete a picture as possible of the mix of buildings and their occupiers.

Rough valuations were also made of local authorities commercial and industrial estates, markets, and other trading properties by capitalisation of these services net income using rates of return observed for similar private sector properties. Rough estimates were also made of the value of local authorities' unused land.

*Central Government.* The bulk of central government's wealth in the form of commercial industrial and other buildings lies in the Property Services Agency's Civil and Defence Estates and the National Health Service. A desk valuation of the PSA Civil Estate, including the Estate's interest in long term leases, was undertaken in 1982. Estimates of values for later years are based on changes in the size of the Estate as recorded in PSA Annual Reports and indices of property price movements. A valuation was also undertaken of the PSA Defence Estate around 1982 but this is less useful for the balance sheets because standard national accounting rules do not count as fixed assets defence properties other than land, naval dockyards and research and development establishments. These were valued using information about contributions made by the Treasury Valuer in lieu of rates (the Crown is exempt from rates).

The National Health Service also makes a contribution in lieu of rates, assessed by the Treasury Valuer who compiles annual analyses of his rateable value assessments on NHS buildings. These rateable values are determined by the 'contractor's test' so that the depreciated replacement cost of NHS hospitals, clinics etc at the time of the rating list was established is therefore easily determined and can be updated in line with increases in building costs.

Other central government bodies owning land and buildings include the English Industrial Estates Corporation and the United Kingdom Atomic Energy Authority for which estimates are based on their annual accounts. The Crown Estates Commissioners real estate is valued by capitalisation of its rental income reported in the Crown Estate Abstract Accounts. Values of other central government land and buildings which are not part of PSA estates are rough estimates based on rateable values recommended by the Treasury Valuer and rough assumptions about the proportions of such buildings which are owned.

**Civil engineering works**

These works represent about one-tenth of the value of the nation's tangible assets and about one third of public sector's tangible assets. The UK national accounts do not generally distinguish between buildings and civil engineering works but it was relatively easy to do this in the context of the valuation of tangible assets. The United Nations definition of civil engineering works was adopted with a couple of significant variations. Thus civil engineering works cover roads, railways, sewers, harbours and piers, airports, pipelines, oil platforms and wells, mine shafts, canals and waterways, water mains, drains and other operational structures in the water industry, sewage treatment works, sports grounds including race and golf courses, gas mains and pipes. In departure from the UN definition electricity transmission lines and telephone cables and ducts are excluded since the UK national accounts treat these as plant and machinery and it was decided that the balance sheets should adopt the same boundary as the flow accounts between building and civil engineering works on the one hand and plant and machinery on the other.

The two main sources of information on the value of civil engineering works are the current cost accounts of public utilities and the perpetual inventory method estimates of depreciated replacement costs. The current cost accounts are preferred where available because these valuations cover both buildings and where appropriate site values. Also the current cost accounts give a direct valuation of assets which the perpetual inventory approach cannot and direct measures have been favoured wherever possible.

*Personal sector.* Private non profit making bodies are taken to own fixed proportions of sports grounds and cemeteries which are both classified as civil engineering works and valued as multiples of rateables values.

*Industrial and Commercial Companies.* Estimates of the value of civil engineering works relate mainly to North Sea oil and gas installations which are valued at depreciated current replacements costs using the perpetual inventory method.

*Public corporations.* Estimates of the value of civil engineering works are based on corporations' annual reports for the last six years since almost all the accounts of the major public corporations were on a current cost basis during this period. There are around one hundred public corporations and all their accounts were examined for the accounting years ending nearest to 31 March 1984. For other years the accounts were examined only for the largest corporations, including groups of corporations like water authorities and new towns which may be small individually but substantial as a group. These corporations accounted for about 95 per cent of the sectors ownership of and buildings and civil engineering works in 1983/84. Special care was taken to ensure that the impact of privatisation was correctly reflected. Another aspect was changes in accounting policies which occasionally cause substantial changes from one year to another in a corporation's

valuation of its assets. For example British Telecom's 1983/84 accounts introduced a sharp reduction in the corporation assessment of asset lives and British Gas's 1984/85 accounts a substantial increase in estimated asset lives. Sharp changes in asset lives may reflect real economic changes in certain circumstances eg. the expected residual life of an oil fired power station may change with substantial changes in the oil price. On the other hand changes in accounting policies may be the recognition of developments over a span of years, for example, more durable gas piping. In some cases therefore changes in a corporation's asset values due to change in accounting policies were phased in over several years.

Market valuations are rare because civil engineering works owned by corporations are so specialised in nature. In any case the organisations are often monopolies so that there is generally no market in their assets. For their current cost accounts public corporations have therefore generally valued their assets at depreciated current replacement costs using a variety of approaches to estimate them. For example CEGB estimates of the value of power stations are based on estimated current costs per kilowatt of capacity of constructing a modern station which uses the same type of fuel as the existing older station. This valuation is then adjusted by a performance correction which takes account of assessed differences in fuel consumption and generating costs between existing stations and their modern equivalents. Similarly, valuations in the water industry relate to modern equivalent assets with reductions to reflect the redundancy factor (ie the likelihood that not all existing systems would be replaced) and the technology factor (ie the likelihood that replacements would take place in circumstances, or using engineering techniques, that could bring the costs of replacements below the costs of replacing like with like). Exceptionally assets appear in current cost accounts at depreciated historic costs where they have no real economic value. For example British Coal's current cost accounts include mines which consistently fail to earn a cash contribution at historic costs whilst other mines are valued at current replacement costs.

*Local authorities.* Roads are the largest tangible item in the local authorities balance sheet other than residential buildings and it can be argued that their value is already included in the market value of the buildings alongside. The same argument could however be applied to a multiplicity of buildings like sewers, schools and hospitals and is only an extreme case of the reality that all values within an economy are interdependent. Also it has been accepted, in international conventions, that roads should be included in estimates of national wealth. Following international convention the value of roadworks has been estimated using the perpetual inventory method and an assumption that roads have an indefinite life. These estimates therefore equate to the cumulative value of all historic fixed investment by local authorities, revalued to current replacement costs. The value of residential streets is included only where local authorities have made further fixed investment since they were 'adopted' and this reflects the fact that housing developers bear the costs of construction of residential streets which they pass onto purchasers in the sale price of dwellings.

The perpetual inventory estimates cover only the value of the roadworks themselves and it is desirable to make some valuation of the land too. To assist a valuation Department of Transport supplied estimates of road space by category of road and subdivided between urban and rural areas. In light of Valuation Office advice that urban land values for community assets were generally taken to be between one third and one half of alternative use value, road space in urban areas was valued at two-fifths of housing land prices, except the road space representing residential streets was excluded. Road space in rural areas was valued at agricultural land values. A rough valuation was also made of the value of urban parks and open spaces using estimates of areas based on CIPFA's 'Leisure and Recreation Statistics' and land values taken as a fraction of housing land prices.

Water and sewerage services are provided in Scotland by local authorities whereas in England and Wales these services have been the responsibility of Regional Water Authorities since 1974. Estimates of the value of water and sewerage works in Scotland are based on the perpetual inventory method.

*Central government.* Roads are the largest tangible item in the central government balance sheet and these roads which are motorways and trunk roads are valued similarly to local authority roads. Thus the roadworks themselves are valued at full replacement cost using perpetual inventory estimates whilst the land is valued using Department of Transport information on road lengths and average widths. Agricultural land values are used for roads in non urban areas and two-fifths of housing land values for roads in urban areas.

**Plant and machinery**

Balance sheet estimates have been based wherever possible on market values but this is not feasible in the case of plant and machinery because the markets for second hand plant and machinery are limited in scope. Some machinery may be bought and sold second hand in an active market, for example computers and agricultural tractors, but other machinery is very specialised and cannot be bought or sold easily. The fact that many capital goods are rarely traded and the fragmented nature of the markets in which they are sold would make a market valuation extremely difficult to conduct.

In any case it is argued in the international guidelines[1] that market values established in this way would not be suitable for use in balance sheets. It is pointed out that sectoral balance sheets are drawn up at a single point of time and that the simultaneity of valuation depends on the assumption that transactors are continuing their activities as going concerns. If this is so valuations based on markets where assets are traded only rarely and generally in circumstances of financial distress or liquidation cannot be used. Much second hand industrial plant and machinery falls into this category. The alternative valuation strategy is to estimate depreciated replacement costs and this could be done either by use of companies current cost accounts or the perpetual inventory method. Current cost accounts are however not compiled by all firms and also such accounts data may suffer from the disadvantage that accountants take a cautious view about asset lives whereas the CSO's estimates of the value of capital stock aim, as far as possible, to reflect expected economic lives, that is the average age at which assets can be expected to be scrapped either because they are worn out or because they have become obsolescent due to technical progress or other economic factors. In these circumstances it was decided that the perpetual inventory estimates of net capital stock at current replacement costs which appear in Tables 11.7 of the CSO Blue Book should be used in the balance sheets.

**Ships, Aircraft and Railway rolling stock**

Following standard UK national accounting practice - and the treatment of ships in fixed investment statistics - the estimates of the value of ships relate to all ships which are registered as UK assets on the Department of Transport's General Register of

Shipping and Seamen and which are wholly or mainly owned by UK registered companies. Figures of the numbers of bulk ships, general cargo ships, tankers, container ships and passenger ships are published regularly in Business Monitor MR15 together with corresponding estimates of deadweight tonnage. This Business Monitor also contains various information on the age structure of the UK merchant fleet and figures of the market value of new and second hand ships by age and type. This enabled the Department of Transport to undertake direct market valuations of the UK merchant fleet at 31 December 1980 and at 31 December 1985. These five years saw a reduction in the value of UK merchant fleet of nearly 50 per cent due to both falls in capital values and the size of the fleet.

For the intervening years between 1980 and 1985 and earlier years information on the volume of ships in terms of deadweight tonnage is available but none on capital values. However there is extensive information on freight rates and there appears to be a very close relationship between these rates and capital values. Using such data it was thus possible to make some very rough estimates of capital values of ships on an annual basis from 1975 through to 1985.

All aircraft owned by UK registered companies are included in the balance sheets irrespective of their location. Annual estimates of the capital stock of these aircraft, based on the perpetual inventory method, offer a valuation at depreciated replacement costs. However these figures may not reflect changing market values since they are dependent on the sterling price indices of the output of the British aircraft industry whereas market values of second hand aircraft are usually expressed in dollar terms. A rough market valuation using trade information suggested nevertheless that the perpetual inventory estimates were about right at the close of 1985. However it is also seemed likely that the perpetual inventory model could not have tracked all the changes in market values over the last ten years due to fluctuations in the dollar-sterling exchange rate and the sharp reduction in the dollar values of aircraft during the global recession between 1980 and 1982. Accordingly some rough adjustments were made in recognition of these factors.

Estimates of the value of railway rolling stock are based on the perpetual inventory method.

Sectorization. Values of ships, aircraft and railway rolling stock were distributed amongst the seven sectors using sector shares for each asset derived from the perpetual inventory method. It should be noted that following the standard convention in the fixed investment statistics ships acquired on financial lease terms are attributed to their lessee's sector whereas all other assets on financial leases are classified in the balance sheets to their lessor's sector.

**Road vehicles**

Road vehicles include buses and coaches, goods vehicles and cars and light vans bought by businesses. Cars bought by consumers are not included since these are treated as the current expenditure of consumers and it is not appropriate therefore to include them in balance sheets.

Department of Transport compile comprehensive statistics of the national stock of road vehicles analysed by age and taxation class, using vehicle licensing records. To value the vehicles average values had to be estimated and for this purpose the national stock was stratified into seven groups of vehicles: cars, light goods vehicles, four weight bands of heavy goods vehicles and buses and coaches. For each of these groups except buses and coaches information is available for new and secondhand values. The valuations used for secondhand vehicles were retail values which were thought to approximate most closely to a valuation which is appropriate to a business as a going concern, although it may be argued that trade buying in values represent the reliable value of vehicles to their owners. The treatment adopted also accords more closely with the valuation of fixed investment at purchasers' values.

For each of the six groups of vehicles for which price information was available average retail prices of new vehicles were established for each year. Depreciation factors by age for each year were then estimated by calculation of the retail values of second hand vehicles of various ages as a fraction of the retail prices of similar new vehicles. Finally application of the depreciation factors for each group of vehicles to the average prices of new vehicles gave annual estimates of the retail value of the total stock of vehicles. For buses and coaches it was only posible to make synthetic estimates of second hand values.

Cars account for about three quarters of the total value of licensed vehicles and their value has to be subdivided into two parts: the value of consumers' cars which do not appear in the balance sheets and the value of business cars owned by companies and unincorporated businesses which do. It is helpful in this connection that Department of Transport have annual estimates both of the number of vehicles newly registered in company names and the number of vehicles licensed in company names. This enabled some rough estimates of the average time for which businesses own cars to be made which, when combined with fixed investment estimates for business cars, enabled a broad brush estimate to be made of the total value of business cars.

Sectorization. The value of road vehicles was allocated to sectors according to the sectors' shares of fixed investment in road vehicles over the previous three years.

**Stocks and work in progress**

Estimates of the book value of stocks and work in progress are published each year in the CSO Blue Book analysed by industry and sector. These values have been taken directly into the balance sheets without revaluation since the average duration of stockholding is fairly short. The Blue Book estimates are based mainly on Business Statistics Office inquiries to businesses and their compilation is more fully discussed in 'United Kingdom National Accounts: Sources and Methods'.

**Financial assets and liabilities**

Financial assets include such items as cash and bank deposits, other deposits, bills, short and long term bonds, loans, debtors, shares and investment overseas (which includes both financial and real assets held overseas). The value of life insurance and pension funds is included as an asset of the personal sector. Rights in funded pension schemes have been valued at current market values of the fund's assets after deducting liabilities to non-members. Every financial asset has a counterpart financial liability and in the construction of the national balance sheet all financial assets and liabilities are offset except assets and liabilities crossing the national boundary.

All financial assets and liabilities are as far as possible recorded at market values rather than at nominal values. Where market values are not available, for example because no recognised market exists, estimates of market value have been made wherever possible and where this is not possible book values or nominal values have been used. Assets in the form of life insurance policies have been valued in a similar way. In every case the convention has been adopted that, for any financial instrument, the value to its owner is the same as its issuer's liability.

Monetary institutions provide returns giving balance sheet information to the Bank of England. Other large financial institutions and many smaller ones provide similar returns either to the Bank of England or to the Department of Trade and Industry. Direct information for the rest of the private sector is sparse but much of this missing information can be built up from counterpart sources. The returns from banks and other financial institutions, for example, analyse their borrowing and lending by the sector of the counterpart lender or borrower. Most of the financial assets and liabilities of industrial and commercial companies, and almost all for the personal sector, are estimated in this way. Estimates for industrial and commercial companies also depend on direct inquiries about their liquidity and about retailers' credit, overseas direct investment and (with restricted coverage) overseas trade credit. Some information is also gleaned from surveys of companies' published balance sheets.

Public corporations' financial assets and liabilities are estimated mainly from counterpart information occasionally supplemented by figures from their annual accounts. Counterpart information is also used for some local authorities' items, but the main sources for this sector are the benchmark estimates obtained from occasional special surveys and projections from them using the authorities' regular returns of borrowing and lending. The central government estimates come mainly from internal accounting records.

Estimates of the value of UK external assets and liabilities are largely based on information collected for the balance of payments accounts.

Financial balance sheets of all sectors are updated and published annually in Financial Statistics. Table S5, S6 and S7 in the June 1986 issue of Financial Statistics gave details of the financial assets and liabilities of each sector up to end 1984 analysed by some forty broad instrument groups. In addition, quarterly data on the financial assets and liabilities of non-monetary financial institutions, industrial and commercial companies and personal sectors are published each month in section 14 of Financial Statistics. Further details of sources and methods including information on the financial assets and liabilities figures are given in 'Financial Statistics: Explanatory Handbook'. End 1985 figures of financial assets and liabilities are in particular subject to revision.

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# Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.
*United Kingdom balance of payments: National income and expenditure.* In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).


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